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Southeast Asia Report



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4 FEBRUARY 1987

SOUTHEAST ASIA REPORT

CONTENTS

AUSTRALIA

Arbitration Commission Adopts 2-Tier Wage System (Melbourne Overseas Service, 23 Dec 86)	1
Briefs	
Wheat Sales	2
Satellite Education Programs	2
New Naval Fleet Commander	2
Mining Assistance to Thailand	2

BURMA

Rebels To Elect New Leaders (Pratya Swetvimon; THE NATION, 29 Dec 86)	3
--	---

INDONESIA

MP on Settlement of Afghanistan Problem (ANTARA NEWS BULLETIN, 29 Dec 86)	5
Habibie on IPTN, PT Pal Products (ANTARA NEWS BULLETIN, 23 Dec 86)	6
Development of Counter-Purchase Trade (ANTARA NEWS BULLETIN, 27 Dec 86)	8
Increase in 1986 Investments Reported (ANTARA NEWS BULLETIN, 30 Dec 86)	9
Industrial Growth Rate, Value (BUSINESS NEWS, 24 Dec 86)	10
Efforts To Boost East Timor Farmers' Income Outlined (ANTARA NEWS BULLETIN, 22 Dec 86)	11
LNG, LPG Output Up, Plant Expansion Almost Complete (BUSINESS NEWS, 24 Dec 86)	12

Rubber Producers on Rubber Exports (BUSINESS NEWS, 26 Dec 86)	13
Palm Oil Exports Up in Volume, Down in Value (BUSINESS NEWS, 26 Dec 86)	16
CN-235 Delivered to Merpati Airline (BUSINESS NEWS, 24 Dec 86)	17
Briefs	
ADB Aid for Creating Rice Fields	18
ADB Loan for Irrigation	18
ADB Loan for Education	18
Projected Urea, Ammonia Output	19
Commitment to Geneva Convention	19
MP on SRV's Kampuchea Stand	19
Japanese Aid for Transmigrants	20
Irianese Donate Land for Transmigrants	20
Land for Timber Estates	20
Japan Imports More Indonesian Oil	21
Swiss Aid for Agricultural Cooperatives	21
Pertamina, Japex Sign Exploration Contract	21
South Sulawesi Main Rice Supplier	22

MALAYSIA

MNRPM Chairman's New Year Greetings (Voice of Malayan Democracy, 31 Dec 86)	23
Communist Party Extends New Year Greetings (Voice of the People of Malaysia, 2 Jan 87)	26

PHILIPPINES

MALAYA Chronicles Grievances Following U.S. Bomb Incident (Ed Aurelio Reyes; ANG PAHAYAGANG MALAYA, 2, 3 Jan 87) ...	28
Aquino Begins Charter Campaign, Opposition Reacts (Various sources, various dates)	33
Aquino Itinerary	33
Opposition Describes Campaign as 'Waste'	33
Enrile Resumes Criticism	33
Aquino Speech in Legaspi City, by Corazon Aquino	34
Enrile Calls Aquino 'Dictator'	35
Ramos Charges Communists 'Intimidating' on Charter (AFP, 31 Dec 86)	36
Aquino To Issue Land Titles in Region 2 (Manila Radio Veritas, 6 Jan 87)	37

Labor Minister Vows To Strive for Moratorium (Felix R. de Los Santos; THE PHILIPPINE STAR, 5 Jan 87) ...	38
Economic Planning Minister on Growth Assistance (Mountain Province Broadcasting Company, 5 Jan 87)	41
Minister Reports on Rebel Rehabilitation Program (Quezon City Radyo ng Bayan, 6 Jan 87)	42
Ministry Gives Rebel Areas Development Priority (Nick Gumabay, Ike Arevalo; PHILIPPINE DAILY INQUIRER, 17 Dec 86)	43
Davao Weekly, Group Hit Economic, Development Authority (Jimmy Dizon; THE MINDANAO MAIL, 4-11 Dec 86)	44
Isabela NPA Claims PC Officer Linked to Olalia Killing (Marvyn Benaning; THE MANILA TIMES, 1 Jan 87)	46
Military, NDF Report 54 Cease-Fire Violations (AFP, 5 Jan 87)	48
Former Rebel Lists NPA Efforts for '1990' Takeover (Tim R. Alanib; THE MINDANAO MAIL, 13-19 Dec 86)	50
Officer Discounts NPA Threat to Manila (AFP, 1 Jan 87)	51
Marine Troops Alerted to Another Possible Yakan Attack (MANILA BULLETIN, 2 Jan 87)	52
Rebels 'Still Willing To Pursue Peace Talks' (AFP, 3 Jan 87)	53
NDF Leaders Discuss Cease-Fire Problems (KYODO, 5 Jan 87)	54
Reemergence of Militant Women's Group Reported (Tess Villanueva; THE MANILA CHRONICLE, various dates)	56
Makibaka Rejects Draft Charter	56
Makibaka-NPA Links	57
Editorial Urges Government on Mounting Grievances (THE MANILA CHRONICLE, 31 Dec 86)	59
Marcos 'Expects To Return Soon' in Radio Broadcast (Various sources, 2 Jan 87)	61
Hits Truce, Charter	61
Urges Stop To U.S. 'Interference'	62

Marcos Loyalists Demonstrate Outside U.S. Embassy (AFP, 4 Jan 87)	63
Antigraft Board Probes Generals, Military Officers (Various sources, various dates)	64
NAFP Board Cites 51	64
General Protests PCGG Probe	64
Cardinal Sin's New Year's Message (Manila Radio Veritas, 31 Dec 86)	65
Reaction to Papal Letter Advising Clergy Avoid Politics (Michael Richardson; PACIFIC DEFENCE REPORTED, Nov 86) ...	66
Mother Teresa Rejects Clergy Role in Armed Struggle (AFP, 5 Jan 87)	69
Briefs	
Local Election Dates	70
Luzon Ceasefire Talks	70
Media Control, Constitution Supported	70
Anticommunists Deny Paramilitary Unit	71
Muslims Demand Officials' Removal	71

VIETNAM

MILITARY AFFAIRS AND PUBLIC SECURITY

Need To End Coal Thievery, Reestablish Order in Collection (Tran Kham; NHAN DAN, 6 Nov 86)	72
---	----

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN Denounces U.S. Interference in Chad (VNA, 4 Jan 87)	76
PRC Continues Armed Attacks in Vi Xuyen (VNA, 8 Jan 87)	77
Soviet Party Holds Forum on Cooperation With SRV (VNA, 6 Jan 87)	78
Cambodian Leaders Congratulated on National Day (VNA, 6 Jan 87)	79
NHAN DAN Supports Palestinian Struggle (VNA, 31 Dec 86)	80
Hanoi Meeting Commemorates PLO Anniversary (VNA, 31 Dec 86)	81

Hanoi Meeting Marks ANC Founding Anniversary (VNA, 8 Jan 87)	82
Southeast Asia 'Women, Science' Seminar Opens (VNA, 8 Jan 87)	83
Briefs	
Nguyen Van Linh Greetings	84
SRV-Cuba Friendship Group	84
Cambodian United Front Delegation	84
Leaders Greet Burmese Counterparts	84
Truong Chinh Receives LPDR Ambassador	85
Pham Van Dong Greets DPRK Premier	85
Truong Chinh Greets DPRK Leader	85
SRV Ambassador Sees Thai Prime Minister	85
Indian Foreign Minister Visit	85
Cambodian National Day	86
SRV-Lao Tourist Service Delegations	86
PRK Geological Team Receives Assistance	86
Indian Officials Greeted	86
Greetings From Finland, Sweden	87
Cambodian National Day Marked	87
CPV Commends Workers, Soviet Experts	87
Swedish Communist Leader Supports Indochina	88
PARTY ACTIVITIES AND GOVERNMENT	
Vung Tau-con Dao Congress Reviews Achievements, Shortcomings (NHAN DAN, 24 Oct 86)	89
ECONOMIC PLANNING, TRADE AND FINANCE	
Socioeconomic Guidelines, Tasks for Vung Tau-con Dao Reported (NHAN DAN, 24 Oct 86)	92
Long An Province Advocates Price Subsidies Policy (Le Van Kien; NHAN DAN, 10 Nov 86)	103
Briefs	
Wood Boats Preferred in Fuel Shortage	114
New Economic Zones Exhibit	114
SCIENCE AND TECHNOLOGY	
Development, Use of Nuclear Technology in Vietnam Discussed (Pham Duy Hien; NHAN DAN, 24 Oct 86)	115
BIOGRAPHIC	
Briefs	
Former Ambassador to USSR Dies	118

AUSTRALIA

ARBITRATION COMMISSION ADOPTS 2-TIER WAGE SYSTEM

BK230828 Melbourne Overseas Service in English 0430 GMT 23 Dec 86

[Text] The Arbitration Commission has abandoned wage indexation in favor of a new 2-tier wages system. More from (Agnes Warren) in Melbourne:

[Begin Warren recording] The Arbitration Commission has ruled that wage indexation is no longer sustainable in the current economic climate. In its place will be a 2-tier wages system aimed at managing wage rises while at the same time protecting low-income earners. Today's decision is an interim one and details of the 2-tier structure, including pay rises, will be worked out in private conferences. The commission has opted for a flat pay rise in the first tier.

The commission has rejected an employer request for a 12-month moratorium on superannuation claims. It expressed concern at the current industrial action over superannuation, but is yet to announce whether it will take control of the issue.

An employer request for the abolition of the 17.5 percent holiday leave loading was also thrown out. The commission said it could not determine the economic impact of such a move, and said there were more effective ways of improving the economy. [end recording]

/9599

CSO: 4200/275

BRIEFS

WHEAT SALES--The Australian Wheat Board says it has made some significant sales this month despite tough competition from subsidized exporters in Europe and the United States. The latest sale of 1 million tons was to Iran which has become a major buyer of Australian wheat since 1983. The general manager of the Wheat Board, Mr (Ron Pace), says more than 8 million tons have already been sold to China, Egypt, and the Soviet Union. He said there were also firm commitments from Indonesia, Malaysia, and Singapore where a total of over 1 million tons is expected to be sold, and Iraq has said it wants to buy 1 million tons. Negotiations with Japan are expected to be held in February. Mr (Pace) said the sales put the Wheat Board in a favorable condition to reach the projected export target of 15 million tons for this financial year. [Text] [Melbourne Overseas Service in English 0430 GMT 24 Dec 86 BK] /9599

SATELLITE EDUCATION PROGRAMS--The Victorian Government has launched a new company to beam education courses via satellite to the Pacific and Southeast Asia. The company called "Knowledge Victoria" will act as a broker between organizations in Victoria offering learning programs and those who require them. The courses will be transmitted via satellite on computer or video disc and will be beamed initially to Indonesia, Thailand, Malaysia, and Hong Kong. The satellite education system is expected to generate more than \$11 million [currency not specified] a year. [Text] [Melbourne Overseas Service in English 0830 GMT 26 Dec 86 BK] /9599

NEW NAVAL FLEET COMMANDER--The Royal Australian Navy is welcoming its new fleet commander, Rear Admiral Peter Sinclair, with a change of command parade on board the ship "Stalwart" in Sydney harbor. Admiral Sinclair takes over from Rear Admiral Ian Knox who will take up an appointment in Canberra as the assistant chief of defense force policy. Admiral Sinclair has a long history of service with the Australian Navy dating back to 1948 when he joined as a cadet midshipman. [Text] [Melbourne Overseas Service in English 0430 GMT 6 Jan 87 BK] /9599

MINING ASSISTANCE TO THAILAND--An Australian project design team is expected to begin planning early this year for a proposed extension of Australian mining assistance to Thailand. The foreign affairs minister, Mr Hayden, says Australia has committed more than \$7 million [currency not specified] to the first phase of a project to provide technical assistance to Thailand in the mining of brown coal. Mr Hayden said since the project began in 1983, production at Mae Mo mine in northern Thailand had tripled. He said the proposed extension of the project was in line with Australia's objective of developing a greater commercial orientation in its Thai aid program. [Text] [Melbourne Overseas Service in English 0030 GMT 7 Jan 87 BK] /9599

REBELS TO ELECT NEW LEADERS

Bangkok THE NATION in English 29 Dec 86 p 5

[Article by Pratyta Swetvimon]

[Text]

NINE major rebel minorities fighting for independence from the Burmese Government are expected to tighten their cooperation with the election of a new leadership of their umbrella organization scheduled for next month.

The sources told *The Nation* that the National Democratic Front (NDF) congress is scheduled to be held at the Karen National Union (KNU) headquarters of Manerplaw along the Burmese border with Thailand opposite Mae Sariang District of Mae Hong Son Province.

However, the exact date the rebels' congress will be held has not been fixed. They said the congress will elect the front's president to replace Gen Bo Mya of the KNU who will have served his four-year presidency at the end of this year.

The loose NDF comprises nine ethnic groups of the KNU, the Kachin Independence Army (KIA), the Mon National Liberation Army (MNLA), the Pa-o National Army (PNA), the Palaung State Liberation Army (PSLA), the Karenni Army (KA), the Wa National Army (WNA), the Arakan Independence Army (AIA) and the Shan State Army of the Shan State Progressive Party (SSPP).

The nine minority forces have been fighting Rangoon central government for almost 40 years in order to attain their independent states. According to the sources, about 200 NDF rebels are currently trained in the Karenni territory.

The sources said the congress will also elect vice president, secretary general, joint secretary and members of the NDF executive committee.

However, Nai Nonla, the MNLA president, said recently that the congress might be postponed due to increasing Rangoon military activities against the front's rebels based along the Burmese-Thai frontier.

The Burmese troops early this month mounted two separate attacks on a Karen mine and a Mon military base along the border close to the historical "Three Pagoda Pass" opposite Sangkhla Buri District of Kanchanaburi Province.

The Mon leader also said he will go to the Karen headquarters next month if the Kachin and the Shan leaders agree to attend the congress by themselves.

Some NDF sources said that Gen Bo Mya, the KNU leader, is expected to retain his presidency in the united front after the election.

However, some sources commented that Preng Seng of the KIA will be Bo Mya's front-running competitor in the election. The Karen and the Kachin with a strength of about 7,000 armed rebels each are said to be the two strongest groups in the NDF.

A controversial issue, which will be raised among the congress members, is a military alliance between the non-communist NDF and the Burma Communist Party (BCP).

The alliance was mentioned in an agreement signed between Preng Seng, the KIA president, and Ba Thein Tin, the 78-year-old communist leader, at the BCP headquarters of Pang Haang on the Burmese northern border with China on March 24.

Gen Bo Mya, however, expressed his opposition towards the Pang Haang pact in the NDF "presidium" meeting held in August at Manerplaw. Some NDF members reportedly denounced the BCP involvement in narcotics business.

The BCP, whose about 10,000 armed insurgents usually operate in northern Burma, is

reported to have turned into drug racket in order to bankroll its revolutionary war against Rangoon after China cut off her aids to the movement about seven years ago.

Officials of the MNLA expressed a different opinion by saying the Pang Haang deal was made only to get better understanding between the NDF rebels and the communist insurgents to improve their joint struggle against their common enemy, Rangoon troops.

The agreement, they said, is exclusively for military affairs with no political or ideological binding.

They claimed that eight parties of the NDF have agreed to forge military coordination with the BCP insurgents. The deal is aimed purely at

the military purpose, they added.

The Mon ethnic officials also dismissed the speculation that the front might be dominated by the BCP if the military cooperation has come to materialize.

They said a number of the non-communist rebels is several times larger than that of the communist movement.

Though Gen Bo Mya has apparently opposed the military alliance, most of the NDF members have agreed that the conclusion for the opinion conflict should be carried out at the forthcoming congress.

The NDF officials said representatives from the nine groups attending the congress have to vote over the controversial deal in order to find out a final decision.

CSO: 4200/270
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MP ON SETTLEMENT OF AFGHANISTAN PROBLEM

Jakarta ANTARA NEWS BULLETIN in English 29 Dec 86 pp A2, A3

[Text] Jakarta, 28 Dec (ANTARA)—Deputy Chairman of the House Commission I (on foreign, information, and security and defence affairs) Soebekti sees that the settlement of the Afghanistan issue is still remote in view of the Soviet's reluctance to withdraw its troops from the Afghanistan soil.

Speaking to ANTARA here Saturday, he said that Kremlin leader Mikhail Gorbachev in a speech in Vladivostok last July said that the Soviet Union would not withdraw its troops unless the Russian-backed regime in Afghanistan was stable.

Gorbachev's remark indicated that the presence of the Soviet troops in Afghanistan was also to protect themselves, in view of Afghanistan's strategic location bordering with the Soviet Union, he said.

Meanwhile, since the Babrak Karmal regime came into power, Afghanistan has been unstable due to attacks by Majaheeden insurgents, who are fighting for an independent Afghanistan free from the Soviet intervention.

Based on the security reasons, the Soviet Union had decided not to pull back its troops from that country, the MP, who is member of the democratic faction (PDI) opined.

He sees that the Afghanistan issue would be the main problem in the coming superpower summit, since the United States would connect the issue with the reduction of nuclear armament.

Soebekti said that the Afghan issue would become more complicated with the exodus of around two to three million Afghan people as refugees to Pakistan.

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CSO: 4200/270

HABIBIE ON IPTN, PT PAL PRODUCTS

Jakarta ANTARA NEWS BULLETIN in English 23 Dec 86 pp A6,.A7

[Text] Surabaya, 22 Dec (ANTARA)--Indonesia will in the next century begin to use all aircraft produced by the Indonesians themselves, Minister of Research and Technology Prof Dr B. J. Habibie said here Monday.

Habibie who is also President Director of Surabaya's State-owned shipyard, PT Pal, made the remarks following the handing over of three speed patrol boats, FPB-28, by PT Pal to Directorate General of Customs and Excise at Surabaya's Ujung port here Monday.

Habibie explained that such efforts and preparations were to accelerate the transfer of technology, while the skill and mental disciplines have been made to achieve the goal in using all home made aircraft in the country by the year 2000.

Asked about the economic sluggishness that might impede the efforts to achieve the goal, Minister Habibie said that the gloomy economic conditions would not affect the manufacturing of aircraft and ships because it could be supported even by the domestic market alone.

He pointed out that 90 percent of the national aircraft were sold at home and the remaining ten percent were sold abroad last year whereas the PT Pal manufactured ships were 100 percent sold at home.

The director of the national aircraft manufacturing industry, IPTN, explained that Indonesia's aircraft market projection within ten years will be 50 percent at home and 50 percent abroad.

So far, negotiations on the exports of FPB-28 vessels produced under a co-operation with Belgium and West Germany are currently underway with ASEAN and the Middle East countries.

Habibie explained that with the transfer of the 28-metre-length and 70 full replacement tons vessels, the Directorate General of Customs and Excise already has six patrol boats. It has ordered 12 boats of the similar type.

FPB-28 vessels with a speed of 30 knots are especially designed to patrol coastal and other territorial waters.

Besides manufacturing the ordered 12 vessels, PT Pal is also constructing five other ships of that kind for the Indonesian police, three of which had been presented to President Soeharto in April last year.

PT Pal is now ready to produce a patrol boat of 400 DWT and 57 metres long.

Habibie disclosed that many countries such as Britain, Italy, Spain, France, the United States and Japan had offered cooperation with PT Pal.

PT Pal in cooperation with the United States has produced Jetfoil ships and with Japan it has produced a 3,500 DWT tanker and other semi-container ships.

Meanwhile, Minister of Finance Radius Prawiro who received the vessels said that these patrol boats would be used to intensify efforts of cracking down smuggling activities,

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CSO 4200/270

DEVELOPMENT OF COUNTER-PURCHASE TRADE

Jakarta ANTARA NEWS BULLETIN in English 27 Dec 86 pp A1, A2

[Text] Jakarta, 27 Dec (ANTARA)--West Germany has been able to maintain its leading position as the biggest buyer of Indonesian goods under the counter-purchase system which was introduced in 1982.

Over the past four years, West Germany has signed US\$386.81 million of counter-purchase contracts. Japan came second (US\$337.89 million), followed by Canada (US\$213.48 million) and the US (US\$120.78 million), spokesman of the trade ministry disclosed to ANTARA here Friday.

Singapore occupied the fifth place, signing US\$94.94 million of contracts.

Several countries including the U.S., Japan and the United Kingdom at first stood against the counter purchase system. They eventually accepted it after receiving detailed information from Indonesian officials.

23 Countries

Until September this year, 23 countries have carried out trade under the system, resulting in US\$1,592 million of contracts. They include the Netherlands, South Korea, Romania, France, Hong Kong, East Germany, Sweden, Australia, Italy, Malaysia, Panama, Mexico, Yugoslavia, Switzerland, Belgium, Austria and Poland.

The counter purchase trade activities covered the supply of fertilizers, the extension of a spinning-mill in Bekasi, purchase of equipment for plywood companies, provision of contraceptive devices for the National Family Planning Coordinating Board (BKKBN), purchase of telecommunication equipment for the Ministry of Tourism, Post, telecommunication and transportation apparatus for the Ministry of Communication and mining equipment for the Ministry of Mines and Energy.

Indonesia on the other hand exported rubber, coffee, plywood, sawn timber, palm oil, textile and garment, frozen shrimps and jelly fish.

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CSO: 4200/270

INCREASE IN 1986 INVESTMENTS REPORTED

Jakarta ANTARA NEWS BULLETIN in English 30 Dec 86 p A1

[Text] Jakarta, 30 Dec (ANTARA)—More investments were signed in 1986 than in last year, a sign of the business world's confidence in the development of the Indonesian economy.

BKPM (Investment Coordinating Board) in the first quarter of 1986 approved 133 PMDN (domestic investment) projects worth around Rp 1,19 trillion, according to BKPM chairman concurrently Junior Minister for the Promotion of the Use of Domestic Products Ginandjar Kartasasmita to the press here Monday.

In the same period BKPM approved the extension of 143 PMDN projects worth Rp 1,145 trillion.

In the following semester BKPM approved 55 projects of Rp 470.4 billion.

Meanwhile, BKPM approved 17 foreign funded projects (PMA) in the first semester of 1986 valued at US\$116.55 billion and in the following semester 24 projects worth US\$425.13 billion.

The above figures reflect an increase by 25 percent in domestic and foreign investments.

The data showed quite a great interest among capital owners to invest in Indonesia, especially after the issuance of the 6 May Package.

The number of PMDN projects this year was bigger than PMA projects, and this indicates an improvement in the national businessmen's capability.

1987 Better

Minister Ginandjar believed next year will see even better investment activities than this year since the government has taken several steps to facilitate investors.

The minister did not explain about the target the government wanted to meet due to certain factors that would make the 1987 investments difficult to predict.

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INDUSTRIAL GROWTH RATE, VALUE**Jakarta BUSINESS NEWS in English 24 Dec 86 p 7****[Text]**

The national industrial growth rate in Indonesia reached over 6% in 1985 surpassing the national economic growth rate of only 1.9 percent in the same year. The higher industrial growth has been obtained thanks to the improvement of the industrial structure, Minister of Industry Ir. Hartarto said here recently.

Hartarto pointed out that the implementation of the interlinkage program in the industrial sector and the promotion of exports were among factors stipulating the growth of the industrial sector.

The total value of industrial products in 1985 reached about 29 trillion comprising Rp 2.2 trillion from state enterprises, Rp 7 trillion from private enterprises in the subsector of small scale industries and Rp 19.8 trillion derived from the subsectors of multifarious manufacturing industries and basic industries.

Indonesia's exports of industrial products rose from about US\$ 3.8 billion in 1984 to US\$ 4.1 billion last year. The share of the industrial sector in the collection of export earnings increased from 17 percent in 1984 to 22 percent last year, and rose further to 28 percent in the first semester of this year.

The development of multifarious manufacturing industries, small scale industries and basic industries has been running smoothly in the past several years.

EFFORTS TO BOOST EAST TIMOR FARMERS' INCOME OUTLINED

Jakarta ANTARA NEWS BULLETIN in English 22 Dec 86 p A6

[Text] Dili, 22 Dec (ANTARA)—The main target for the improvement of smallholders' plantations in East Timor in PELITA IV (fourth five-year development plan, 1984-1989) is aimed at raising the per capita income of the farmers to Rp 1.5 million per year.

This target could be achieved among other things through extensification of the cultivation area, cultivation intensification, rehabilitation of the soil, rejuvenation of the plants and crop diversification.

Not less important however is to bring about a change in the plantation smallholder's farming methods from traditional towards advanced farming, which would make them self-reliant and powerful farmers. East Timor Governor Mario Viegas Carrascalao said before the plenary session of East Timor's provincial legislative council here Thursday.

East Timor's plantation crop cultivated area in the 1985/1986 fiscal year, Carrascalao said, reached 142, 211.45 hectares, an increase of 3.71 percent compared with the previous year.

This increase in cultivated area was due to the growing of additional plantation commodities, such as clove, pepper, hybrid coconuts, cacao and indigenous coconut.

Improvement of cultivation techniques and better plantation care have also resulted in improving the quality and quantity of the products, the governor said. In 1984/1985 the average coffee production recorded only 179.75 kgs per hectare, but in 1985/1986 it reached 198.85 kgs per hectare, an increase of 13.66 per cent.

Copra production increased by 17.92 per cent, from 174.63 kgs per hectare in 1984/1985 to 205.94 kgs per hectare in 1985/1986.

In 1984-1985 rejuvenation was carried out on 964.87 hectares of coffee plants and in 1985/1986 the rejuvenated area reached 1,341.65 hectares; an increase of 39.56 percent.

Diversification of plantation crops was carried out in 1985/1986 through "inpres" (presidential instructional) funds through cultivation of vanilla through slips and planting of clove sapplings, the governor said.

LNG, LPG OUTPUT UP, PLANT EXPANSION ALMOST COMPLETE**Jakarta BUSINESS NEWS in English 24 Dec 86 p 8****[Text]**

The construction of the sixth train at the Arun LNG plant, which constitutes the expansion of the plant, is almost completed. The operation of the sixth train will increase the production of LNG by the plant.

LNG production from the Arun plant in Aceh and the Badak plant in East Kalimantan stood at 23,969,958 cu.m. in the first nine months of this year. Last year the two plants produced 33,035,568 cu.m. of LNG, indicating an increase over 31,584,103 cu.m. in 1984.

The production of LPG in the country reached 426,041 m.tons in the period of January through July 1986, mostly from the Arjuna oil field. It is projected to reach 799,430 m.tons from January to December this year, showing an increase over 878,311 m.tons last year.

The sale of fuel oil reached 15,674,380 kl in the first eight months of this year, composed of 6,636 kl of avigas, 404,533 kl of avtur, 101,429 kl of super-98 gasoline, 2,840,625 kl. of premium gasoline, 4,633,701 kl of kerosene, 4,893,424 kl of automotive diesel oil, 967,705 kl of industrial diesel oil and 1,823,327 kl of residual oil.

The sale of those eight kinds of fuel oil rose to 24,533,542 last year from 24,212,979 kl in 1984.

RUBBER PRODUCERS ON RUBBER EXPORTS

Jakarta BUSINESS NEWS in English 26 Dec 86 p 5

[Text]

The Indonesian Rubber Producers Association (GAPKINDO) has set the target of its rubber exports at 1 million tons worth US\$ 800 million in 1987. Chairman of GAPKINDO Syamsir Rachman has expressed optimism that the target would be met.

Syamsir Rachmat pointed out here recently that the International Natural Rubber Organisation (INRO) with its International Natural Rubber Agreement (INRA) had failed to improve the market condition the rubber producers have longed for.

The government and the private side should be aware of the INRO's failure to create better market and should make a choice whether to use natural rubber as an economic commodity that produces foreign exchange or merely as a political means in international relations.

The INRO price tape continues to slide down every year causing the sluggishness of the world rubber market. The reference price of natural rubber fell to M/S \$-cts 207.9/kg in 1982 from M/S \$-cts 210/kg previously (with upper indicative level of 270 and lower indicative level of 150), and dropped further to M/S \$-cts 201.7/kg in 1985.

INRO, which has a buffer-stock of 370,000 tons of natural rubber, failed to reach agreement at three meetings held in Geneva in formulating INRA to be made effective till October 1987.

Indonesian rubber producers must take into account the INRO's failure so that they will be well prepared to change

the marketing structure based on the market potential, according to Syamsir Rachman. He mentioned the need to implement a uniform marketing policy among natural rubber producing countries.

Malaysia, Indonesia and Thailand altogether hold 85% of the world rubber production. Thus a uniform marketing policy by these countries will certainly be significant to the effort to improve the market condition.

Under the INRO related-market condition, Indonesia's rubber exports have kept declining in volume and value in the past five years. This year Indonesia's rubber supply to other countries is estimated at only 950,000 tons worth US\$ 675 million. This means that coffee takes over the position of natural rubber in producing foreign exchange earnings for the country.

Data on Indonesia's rubber exports from 1976 through 1986 are described in the table below :

Year	Volume (ton)	Value (US\$)	Average price (US\$/kg)
1976	811,473	530,781,429	0.65
1977	800,178	588,342,722	0.74
1978	861,550	716,486,364	0.83
1979	861,004	936,792,961	1.09
1980	976,131	1,165,320,938	1.19
1981	808,733	828,239,424	1.07
1982	797,608	602,147,546	0.75
1983	938,031	843,464,776	0.90
1984	1,009,558	948,391,859	0.94
1985	1,000,915	716,575,604	0.72
1986	950,000 (estimated)	670,000,000 (estimated)	0.70

The destination of Indonesia's natural rubber exports narrowed from 37 countries in 1985 to 35 countries this year. If INRO fails to reach agreement in formulating new INRA and has to break up, the release of its buffer-stock of 370,000 tons should not cause an anxiety.

In this context, the GAPKINDO chair man referred to the stipulation determining the release of the bufferstock in three years. This means the release of the INRO's bufferstock will average about 125,000 tons/year, which will not much affect Indonesia's rubber trade.

The world consumption of natural rubber, which stood at 4,245,000 tons in 1984 and 4,325,000 tons in 1985, is estimated to reach 4,320,000 tons this year.

/9274

CSO: 4200/270

PALM OIL EXPORTS UP IN VOLUME, DOWN IN VALUE

Jakarta BUSINESS NEWS in English 26 Dec 86 p 7

[Text]

The fall in the prices of crude palm oil and various palm oil products, Indonesia's exports of palm oil have been up in volume but down in value this year compared with those in 1985.

The shipment of palm oil from Indonesia to destination ports abroad reached about 252,900 tons with FOB value of US\$ 53,999,000 in the first seven months of this year, averaging around US\$ 215.50/ton. In the corresponding period of 1985, Indonesia's palm oil exports were registered at 157,100 tons worth US\$ 89,971,000, showing an average price of US\$ 539.07/ton.

/9274

CSO: 4200/270

CN-235 DELIVERED TO MERPATI AIRLINE

Jakarta BUSINESS NEWS in English 24 Dec 86 p 11

[Text]

Minister of Research and Technology Prof. Dr. Ing. B.J. Habibie, in his capacity as president director of the state-owned aircraft industrial company IPTN, has delivered an IPTN-made CN-235 plane to Suratman, president director of Merpati Nusantara Airline, the sister company of the state-owned airline company Garuda Indonesia.

Minister of Communications Rusmin Nurjadin witnessed the delivery of the aircraft at a ceremony held here recently. It was the first delivery of CN-235 from IPTN to Merpati. IPTN has received an order from MNA for the building of 14 CN-235 planes.

Merpati is the prime mover of the marketing of CN-235 aircraft, Habibie said after signing the document for the delivery of the plane. The plane will be used with a registration code of PK-MNA and with a name "Obira", one of the islands found in the eastern part of Indonesia.

In the beginning of this month, CN-235 obtained certification from the United States Federal Aviation Administration (FAA). The granting of this international certificate gives opportunity to IPTN to sell CN-235 to the world market.

CN-235 is a short take-off & landing aircraft which can land and take-off on short and emergency airstrips. The aircraft is equipped with a ramp door, high fixed wings, retractable landing gear. The prime mover of the plane is two units of general electric CT7-7 turboprop engines each with a capacity of 1,700 Shp. The aircraft can be used for various purposes.

MNA has bought CN-235 aircraft from IPTN at a price of US\$ 6 million per unit.

BRIEFS

ADB AID FOR CREATING RICE FIELDS--Bengkulu, 17 Dec (ANTARA)--Asian Development Bank (ADB) has extended an aid worth Rp 14 billion for the creation of 12,000 hectares of rice fields in Bengkulu. Head of Regional Food Crops Office Eng Wawan Nirwana said here Tuesday that the program was to be started in April 1987 for a five-year period. As from January next year several ADB consultants would be posted in Bengkulu who would take part in the rice fields creation project. During the last decade a total of 7,800 ha of rice fields had been opened in Bengkulu. Some 4,500 ha was opened through a credit system and the rest was cultivated by the people with their own fund. Bengkulu with a total area of 19,813 ha and 1 million people has rice fields totalling 79,000 ha. It has a rice surplus totalling 14,000 tonnes in 1985 and is expected to have 9,000 tonnes of surplus this year. [Text] [Jakarta ANTARA NEWS BULLETIN in English 17 Dec 86 p A5] /9274

ADB LOAN FOR IRRIGATION--Tokyo, 20 Dec (ANTARA)--The Manila-based Asian Development Bank (ADB) has approved a soft loan amounting to 28.8 million U.S. dollars and a technical grant worth 350,000 U.S. dollars for development of irrigation projects in Lampung and Bengkulu provinces. The irrigation projects would benefit 28,700 families of small farmers in agricultural areas covering 31,500 hectares in the two provinces, through the creation of new job opportunities and the improvement of productivity in a bid to increase their income. When the projects have been completed, the annual average income per year of the local people is expected to increase by 50 percent, nearly 1,000 U.S. dollars, while the production of rice of prime variety could be increased to an average of five tons per hectare compared with the 1.5 tons of rice produced in rain-fed fields. ADB said in its press release Saturday that the projects will cost 51.2 million U.S. dollars, without giving the date when the projects will be started. [Text] [Jakarta ANTARA NEWS BULLETIN in English 21 Dec 86 pp A2, A3] /9274

ADB LOAN FOR EDUCATION--Tokyo, 27 Dec (ANTARA)--The Manila based Asian Development Bank (ADB) has agreed to provide Indonesia with 30.6 million dollars in soft loan credit to fulfill the need of local funds for the execution of six educational projects in fiscal year 1986/1987 and 1987/1988. In its release available here Friday the bank saw the Indonesian government had given higher priority to educational development in an effort to turn out skilled workers in larger numbers. The ADB aid was regarded as an important part to realize it. The special loan was designed to facilitate the implementation of

two Technical Higher Schools and a Vocational School, projects of Hasanuddin University in Ujungpandang, North Sumatra University and Sriwijaya University in Palembang, South Sumatra. [Text] [Jakarta ANTARA NEWS BULLETIN in English 27 Dec 86 p A1] /9274

PROJECTED UREA, AMMONIA OUTPUT--Jakarta, 18 Dec (ANTARA)--Indonesia's urea production capacity is expected to reach over 4.9 million tons per year when Kaltim III having an output of 570,000 tons per annum is completed by 1989. Only 82.55 percent of the country's 1985/86 urea production capacity has been utilized, and it is expected to reach 90 percent in 1986/87, a spokesman for the department of industry disclosed here Wednesday. Indonesia's 1988/89 need for urea fertilizer was estimated at 3,530,000 tons, which may increase to 3,740,000 tons in 1989/1990. With a requirement of 3,740,000 tons in 1989/90, there will be a surplus of about 1.2 million tons during those years, enabling Indonesia to export the commodity as in the preceding years. Moreover, he added, urea factories normally also have an ammonia unit with a production capacity in a sound balance with the need for processing urea, except that of PT Pupuk Kalimantan Timur, which has an ammonia surplus output of 165,000 tons per annum from Kaltim I and Kaltim II units each. Part of the surplus, he added, is used for making ZA fertilizer, and the remainder is exported. Preparations are currently also underway to build a factory producing ammonia CO2 and urea ammonia contributing to the procurement of ZA fertilizer and in face of the possibility of the lack of urea in the next fifth five-year development plan, he said. [Text] [Jakarta ANTARA NEWS BULLETIN in English 18 Dec 86 p A3] /9274

COMMITMENT TO GENEVA CONVENTION--Solo, 19 Dec (ANTARA)--Minister of Foreign Affairs Mochtar Kusumatmadja said Thursday Indonesia as a country committed to the Geneva Convention is obliged to promote particularly the humanitarian law as one of the contents of the convention. Before a one-day symposium on the international humanitarian law here, the minister noted that in a bid to spread the Geneva Convention on humanitarian law, Indonesia had since 1958 included the content of the convention in the educational program especially for military officers. He said the promotion of the Geneva Convention in Indonesia was not just limited to the field of education but it had even been materialized in the making of the Law No 20/1982 on security and defence which principally supports the Geneva Convention on the law of war. Mochtar said the meaning of the law of war now needs clarification that it does not govern only the operational aspect of war but also outlines the protection and treatment of war victims. [Text] [Jakarta ANTARA NEWS BULLETIN in English 20 Dec 86 p A5] /9274

MP ON SRV'S KAMPUCHEA STAND--Jakarta, 20 Dec (ANTARA)--The change of leadership in Vietnam as the results of the recent Sixth Congress of its Communist Party is not expected to change Vietnam's stand to the solution of the Kampuchean issue. In a telephone interview with ANTARA Friday, Deputy Speaker (on foreign security and defence affairs) Subekti predicted that efforts to improve economic conditions of that country would become the main topic of discussion rather than political changes at the congress. "Vietnam will not free to decide its policy on Kampuchea without further consultations with

Soviet Union, its main supporter," [quote as published] Subekti noted, adding that Vietnam has so far given its real support to strengthen the Heng Samrin regime by sending over 100,000 troops to Kampuchea. The relations between Vietnam and the People's Republic of China, will be no much affected by the change of leadership in Hanoi where PRC is behind the Coalition Government of Kampuchea under Prince Norodom Sihanouk, Subekti said. [sentence as published] "As long as the Kampuchean issue is still unsolved, there will be no significant change in relations between Vietnam and the countries involved," he said. On its relations with Asean, he said Vietnam will probably try to enhance economic cooperation with other countries including Asean in view of its worst economic condition. [Text] [Jakarta ANTARA NEWS BULLETIN in English 20 Dec 86 p A7] /9274

JAPANESE AID FOR TRANSMIGRANTS--Jakarta, 21 Dec (ANTARA)--The Japanese Government has extended assistance in the form [of] farming equipment to transmigrants who occupy resettlement centres in Southeast Sulawesi. The Southeast Sulawesi Transmigration Service recently delivered 16,150 units of farming equipment, including 55 units of tractors, to transmigrants in that province to help them improve their activities in the coming post-harvest season. The head of the Southeast Sulawesi Transmigration Service, Drs Ketut Berlin, disclosed when he handed over the farming equipment to transmigrants in Kendari that the Japan's assistance was worth 325 million yens. The Japan's assistance benefits 6,441 migrant families, comprising 3,736 families resettled with funds derived from the State Budget and 2,705 families occupying resettlement centres under financial aid from the Asian Development Bank. The assistance just handed over by Ketut Berlin is the first received by transmigrants in the province from Japan. [Text] [Jakarta ANTARA NEWS BULLETIN in English 21 Dec 86 p A11] /9274

IRIANESE DONATE LAND FOR TRANSMIGRANTS--Jayapura, 20 Dec (ANTARA)--The Uwapa tribe in the hinterlands of Irian Jaya gave 500 hectares of their land to the regional administration to be used for the resettlement of transmigrants. The land is 33 km north of Nabire, Panial regency, and according to research made during the Dutch colonial period, it was fertile land, suitable for farming as well as for hard crop. Chairman of the planning and development Board of Panial, Djufries told ATNAR Saturday morning that the transfer of land took place during a traditional ceremony, and it was received by Panial regent Sukiyo on behalf of the governor of Irian Jaya. The Uwapu tribe had decided to donate the land voluntarily as the government had helped them a lot while they had observed that transmigration brought great changes. Only through transmigration could the population in the hinterlands increase their farming production together with the migrant farmers. In gratitude for the land made available for resettlement, the local administration presented farming implements and seedlings to the tribe for cultivation of their land. Penial mainland is 46,400 square km and since 1982 300 migrant families have settled there. They came from Central and East Java. They occupy almost 8,000 hectares of land. [Jakarta ANTARA NEWS BULLETIN in English 21 Dec 86 p A4]

LAND FOR TIMBER ESTATES--Jakarta, 22 Dec (ANTARA)--Some 6.2 million ha of land, including 2.16 million ha of forest area, are provided for the development of timber estates, until the year 2000. Of the acreage, around 1.8

million ha have been exploited by the Perum Perhutani (the public forest corporation), Forestry Minister Soedjarwo told the participants of a one-day seminar on timber estate at the University of Indonesia here Saturday. The opening of the timber estates is to support the development of timber industry, namely to guarantee a stable supply of cheap basic materials. It is also to support the exports of processed wood, expand job and business opportunities, he added. "This project will give chance to each timber estate to become an independent unit of commercial undertaking," the minister noted. Efforts to protect forest from various threats and violations have been ruled in the government's decision (PP) No 28, 1985, but its technical handlings still need further studies. The minister also reminded that the development of timber estates needs a substantial amount of investment and therefore, it must be a long-term project. [Text] [Jakarta ANTARA NEWS BULLETIN in English 22 Dec 86 p A4] /9274

JAPAN IMPORTS MORE INDONESIAN OIL--Tokyo, 24 Dec (ANTARA)--Japan's import of Indonesian crude last month increased by 24.9 percent against last year's, from 2.02 million kilolitre to 2.12 million kilolitre. Compared with October the import also showed an increase of 4.95 per cent. Japan's bigger import of Indonesian oil took place at the time when its imports from other countries declined by 11.5 percent against last year's to 15.46 million kilolitre. Of the figure 69.8 percent came from OPEC member countries. In the past few months Indonesia had been Japan's second largest oil supplier, removing Saudi Arabia from its usual top position. Saudi Arabia, exporting only 1.11 million kilolitre of its oil to Japan, occupied third place. Japan's biggest oil supplier was the United Arab Emirate which exported 3.01 million kilolitre of oil last year. [Text] [Jakarta ANTARA NEWS BULLETIN in English 24 Dec 86 p A6] /9274

SWISS AID FOR AGRICULTURAL COOPERATIVES--Jakarta, 24 Dec (ANTARA)--Indonesia and Switzerland Tuesday signed an agreement on a cooperative training project in Central Lombok. The project was begun in 1980 and the agreement extended the previous two phases of the project, under which aid was given to a number of cooperatives in Central Lombok. The aid is aimed at improving services rendered by the cooperatives, particularly in rice hulling works, marketing and construction technology. The cooperative members and managers received training which aimed at creating self-supporting, lasting and good cooperatives. In the coming third phase the project will build a model cooperative according to the government policy, a cooperative under the decentralization system, improve the sense of responsibility among cooperative members and expand cooperative field of activities. Four Swiss consultants will be placed in Lombok where they will cooperate with the regional officials. The Indonesian government has agreed to provide Rp 260 million of fund for a period of three years while the Swiss government agreed to give Rp 2.38 billion of grant including expenses to be paid for the four Swiss experts. [Text] [Jakarta ANTARA NEWS BULLETIN in English 24 Dec 86 p A6] /9274

PERTAMINA, JAPEX SIGN EXPLORATION CONTRACT--Tokyo, 29 Dec (ANTARA)--A working contract between the Indonesian state-owned oil enterprise (Pertamina) and the Japan Petroleum Exploration Co for the exploration of oil wells in West Java and Central Java, covering an area of 7,800 square km, was signed here

last week. This contract, the first Japan's yen denomination agreement with Indonesia, gives Japex the right to explore oil resources in the two Indonesia's provinces for a period of ten years, notably on a 2,200 square km area near Rengasdengklok and on a 5,600 square km of land in the northern part of Central Java. The Japan National Oil Corp (JNOC), a government-owned oil firm, will provide 70 percent of its exploration fund up to US\$90 million, and the remaining 30 percent will be contributed by ten Japan's oil companies including Japex, Indonesia Petroleum Co, and Teikoku Oil Co. To realize this contract, Japex will soon set up a new company under the provisional name of Jawa Oil Co. According to Japex, the Jawa Oil will get 53.5 percent of its crude production output as the yen credit payment needed by the company plus 6.5 percent of portion. [Text] [Jakarta ANTARA NEWS BULLETIN in English 29 Dec 86 p A1] /9274

SOUTH SULAWESI MAIN RICE SUPPLIER--Ujungpandang, 29 Dec (ANTARA)--South Sulawesi is at present maintaining its position as main rice supplier in Indonesia, the province's logistics board chief Ferry Themba told ANTARA here in Ujungpandang Monday. From April through November 1986, he said, 129,325 tons of rice were shipped to various regions for the national rice stock and for Christmas as well as for the coming New Year supplies. During that period, Jakarta received 39,325 tons of rice, East Kalimantan 15,730 tons, South Sumatra 15,000 tons, Riau 11,000 tons and Southeast Sulawesi 10,270 tons. Another 5,000 tons went to West Kalimantan, 3,500 tons to Maluku, 7,800 tons to East Nusa Tenggara (NTT), 6,900 tons to East Timor, 9,300 to Irian Jaya, and 5,500 tons to Lampung. According to Ferry Themba, South Sulawesi now has 140,341 tons of rice stock, sufficient to meet the region's food demand for two years. [Text] [Jakarta ANTARA NEWS BULLETIN in English 29 Dec 86 p A3] /9274

CSO: 4200/271

MNRPM CHAIRMAN'S NEW YEAR GREETINGS

BK020530 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT
31 Dec 86

[1987 New Year greetings: "Strongly Launch a Mass Struggle", from Abdullah C.D., chairman of the Malay Nationalist Revolutionary Party of Malaya Central Committee -- read by announcer]

[Text] Honorable patriotic and democratic brothers and sisters of all nationalities and strata, welcoming the 1987 New Year, on behalf of the Malay Nationalist Revolutionary Party of Malaya [MNRPM] Central Committee, I extend my warmest New Year greetings and wishes for success to all MNRPM members and supporters and also to the people of all nationalities and strata in our country, particularly Malay brothers and sisters. I do not forget to pay my sincere respects to all patriotic and democratic fighters who are courageously and unswervingly fighting the enemy in the jungles, enemy prisons, and other various fronts. In addition, I extend my deep sympathy to the families of noble revolutionary fighters.

Every New Year, it is normal practice for every patriot to review the successes at home and abroad of the previous year and to ponder the steps to be taken in the New Year. This will make us more confident of a bright future our people will have. Throughout 1986, the patriotic and democratic forces, particularly among the Malays in the country, further developed. The MNRPM expanded its movement throughout the country. MNRPM cadres actively operated in the masses to fight the Mahathir fascist clique. The MNRPM's official organ circulated more widely. Patriotic and democratic opposition parties continued to expand its rank. They reached consensus through a joint program for the first time. The number of PAS [Pan Malaysian Islamic Party] supporters increased daily. Likewise, the DAP [Democratic Action Party] which has drawn much support, particularly from supporters of the MCA [Malaysian Chinese Association] and Gerakan [Malaysian People's Movement], won over more supporters. The People's Socialist Party of Malaya [PSRM] was increasingly popular, as were other opposition parties like the Nationalist Party of Malaysia and the SDP [Socialist Democratic Party] and other patriotic and democratic forces, particularly among Malays represented by PAS, further expanded their influence. They continued to fight the reactionary forces within the UMNO [United Malays National Organization]. Their movement greatly

threatened the UMNO. Similarly, the patriotic and democratic forces among Chinese and Indians represented by the DAP continued to maintain and intensify their struggle. The struggle of the labor and other working people continued last year. Plantation workers launched various forms of struggle for better living conditions, against the illegal entry of foreign workers, and demanded that daily workers be turned into monthly workers. The labor in various industries launched various forms of struggle to defend their interests, particularly against mass dismissals. The CEUPACS or Congress of Employee Unions in Public Administration Civil Service led hundreds of thousands of its members in a struggle for better living conditions. This struggle, the biggest in the CEUPACS' history, has attained initial victory. Peasants were not remiss in fighting for land and higher prices for their produce. Fielda [Federal Land Development Authority] settlers incessantly fought for more subsidies, land grants, abolition of unfair debts, and higher prices for their produce and against expulsion. Hawkers and small traders fiercely fought for lower stall rents and licenses and so on. Students also closed rank to unequivocally demand the abolition of the University and College Amendment Act which was deprived them of freedom. In the last general elections, patriotic and democratic parties and leaders won almost half of the total electoral votes. However, these patriotic and democratic parties and leaders gained less than one-fourth of the total number of parliamentary seats due to the undemocratic election system in the country.

Despite its unfair victory, the reactionary regime continues to struggle hopelessly to free itself from various unresolved problems. The effects of the economic crisis in capitalist countries have further strangled our economy. Trade deficits have swelled to an unprecedented level. The state treasury has dried up. Various subsidies such as the paddy planting subsidy and the Felda subsidy will be abolished. Labor wage increases have been frozen. The government plans to dismiss many officers and personnel of the Civil service for financial shortage. The country's debts are soaring. The prices of primary commodities such as petroleum, palm oil, rubber, timber, and tin have fallen on an unprecedented scale. Corruption is increasingly uncontrollable, while mismanagement is becoming more serious. The unemployment situation is worsening. The Mahathir regime has retracted its own words by widely opening the door to foreign capitalists unconditionally. More importantly, the gap between the rich and the poor is widening. Racism is getting worse. Barisan Nasional is unstable. The power struggle within the UMNO, particularly between the Mahathir and Musa Hitam cliques, is getting worse. The MCA's prestige has plunged considerably as have been Gerakan's and the MIC's [Malaysian Indian Congress]. Tension between the PBS [Sabah United Party] and the UMNO is becoming unreconcilable. A struggle for the return of Labuan to Sabah is intensifying.

On the international front, the economic crisis capitalist countries is getting worse. Recovery in some capitalist countries was temporary in nature. This recovery has opened up the way for a more serious recession. Sparks of a trade war over protectionism have spread to many more countries in the world. The United States, the richest country in the world, is the

worst hit by the economic crisis. The economic crisis is strangling West European countries. Unemployment is prevalent in all capitalist countries. On the contrary, socialist countries are becoming more prosperous. Their economies are stable and developing. In the meantime, the struggle of the peoples of colonial and semicolonial countries is intensifying constantly. The Central American people are increasingly united against the U.S. imperialists and domestic reactionary regimes. The Arab people are incessantly fighting Israeli Zionism. The African people's national liberation movement continues to develop. The anti-apartheid struggle in South Africa is scoring one victory after another. The Soviet and Vietnamese aggressions in Afghanistan and Cambodia respectively are suffering from serious defeats. In the Philippines, the Marcos fascist regime has been overthrown, and the situation is increasingly favorable to the people. The New People's Army as well as the Moro National Liberation Front are expanding their influence. All this shows that the current situation is really favorable to the patriotic and democratic forces. The future of the patriotic and democratic forces is bright.

On behalf of the MNRPM, I call on all patriotic and democratic forces to correctly review all the difficulties and weaknesses of the reactionary regime. We must closely combine the people's immediate economic interest with the people's political struggle. We must also strongly launch a mass struggle through which we must try to draw as many UMNO, MCA, MIC, and Gerakan supporters as possible and to develop the patriotic and democratic forces. In addition, we must try to establish a broadly based united front covering patriotic and democratic opposition parties, people's mass organizations throughout the country.

Finally, I call on all MNRPM members and supporters to develop and further intensify MNRPM's struggle to score greater successes in 1987.

[Signed] Abdullah C.D., chairman of the MNRPM Central Committee.

1 January 1987.

/12624

CSO: 4213/36

COMMUNIST PARTY EXTENDS NEW YEAR GREETINGS

BK030425 (Clandestine) Voice of the People of Malaysia in Malay 1300 GMT
2 Jan 87

[Malaysian Communist Party Central Committee's New Year Greeting -- 1 January 1987]

[Text] In conjunction with the arrival of 1987, we of the Malaysian Communist Party Central Committee extend our warmest New Year greetings with the highest respect to all party members and fighters of the Malaysian People's Liberation Front, and to all members of the other revolutionary organizations, brothers and sisters who are overseas, families of the fallen revolutionaries and fighters, comrades and patriots who are still in prison defending their struggles, and also to the multiracial people in the various revolutionary bases and to all in the country!

During the past year, the armed strength of the revolutionary forces expanded with more determination through new challenges and obstacles in their attacks in politics and on the enemy forces. Defending and expanding the revolutionary armed struggle still form the source of the people's strength and determination of the various races and also within the enemy's administration areas, championing their struggle forms important contributions which cannot be denied from the patriotic and democratic movements. Besides this, the patriotic and democratic movements also continue to further expand their struggle against the vicious Mahathir clique, which also brought about valuable experiences. This has further prepared conditions to hasten the restructuring and widening of a united front for the future.

Throughout the previous year, the gap between the rich and poor within our country's community had been further widened. The friction between the classes is becoming more serious and social crises such as the economic decline, unemployment, poverty factors and so on are worsening. Even though the Mahathir clique had achieved what is called an excellent victory during the last general election, the frictions within society, especially the friction between the bureaucratic comprador capitalist class and the multiracial people could not be alleviated and is becoming more serious; this friction may possibly never be expunged. The clique intensified its

implementation of polarization and reactionary policies which were only aimed at protecting the interests of the bureaucratic comprador capitalist class after the general election and this resulted in the Mahathir clique being further immersed in more serious crises. All these played a negative role which continued to create awareness among the people concerning the Mahathir clique's negative qualities and bring about more opposition.

In the New Year, people from all walks of life are continuing to strengthen their solidarity and expand their efforts, to [word indistinct] equally, find a resolution for differences, and strongly coordinate all their actions to face the undemocratic, antipeople, and iron-hand rule of the Mahathir clique, expose all their ill-gotten plots, to champion the urgent needs and rights of the multiracial society and further struggle toward patriotism and democracy and jointly struggle to establish a democratic, just, progressive, and suitable country.

Comrades in the party, forces, and also other organizations should be fully aware of the party's new calls to actively participate and exert all their patriotic and democratic efforts toward creating greater solidarity and cooperation among the people, launch massive services for the people, further expand the patriotic and democratic front, seriously implement active (?programs) aimed at attacking the enemy as well as exposing the reactionary regime's plots. We should also enhance and expand our revolutionary bases which could encourage a just revolution.

Beloved brothers and sisters, may God bless you all with happiness, success and progress in this New Year.

/12624

CSO: 4213/36

MALAYA CHRONICLES GRIEVANCES FOLLOWING U.S. BOMB INCIDENT

HK071310 Quezon City ANG PAHAYAGANG MALAYA in English 2, 3 Jan 87

[First of Two Parts by contributor Ed Aurelio Reyes]

[2 Jan 87 pp 1, 2]

[Text] What did U.S. authorities do after a bomb dropped by one of their Air Force jets exploded in a ricefield 4 kilometers from a town center and turned stacks of palay into a 15-meter wide and 10-foot deep crater?

They sent nine truckloads of dirt to fill up the crater and started negotiating with the landowner for further reparations. And that's it! After all, they said, it was an accident.

This has been the line of logic and action being pursued by U.S. Air Force authorities in the wake of the plane bombing incident last 5 December in barrio Looc near the poblacion of Castillejos, Zambales, 90 kilometers west-northwest of Manila.

No mention has been made so far of public apologies issued, or of precautionary measures contemplated to prevent similar occurrences in the future. They would tend to confine the entire affair to only the U.S. Air Force, the crater itself, and the owner of the land where the bomb scattered thousands of pieces of shrapnel.

Asked categorically whether he had heard of any comment on the incident from the Ministry of Foreign Affairs, Maj Thomas J. Boyd, public affairs director of the U.S. 13th Air Force, said, "I have no idea why they (the ministry) should say anything. After all, the bomb just went offtarget and it was accidental."

This statement was later described as "rather self-serving" by Ambassador Leonides Caday, MFA's assistant minister for American affairs.

In an exclusive interview, Caday also recounted his telephone conversation with Herb Hoffman, Politico-military officer of the U.S. Embassy, where the latter "recognized the fault of the United States in the incident and assured (him) that the U.S. Air Force is negotiating with the landowner for proper

compensation." Negotiation efforts are making progress, according to Col Fred Kuhn, Clark Airbase legal officer.

The bomb dropped and exploded at about 11 am, 5 December, according to a 20-year-old eyewitness working for the landowner's tenant, Dolores Pantaleon.

Interviewed right at the rim of the crater, the farmhand narrated how he dived to the ground about 100 meters from that spot. "Akala ko, sa sine lang nangyayari yung ganoon. Natakot ako talaga!" (I thought these things happened only in the movies. I was really terrified!)

He described how the explosion affected his employer, who was with another woman in a hut within 200 meters from the spot. "Na-shock si Misis, Bumalik ang sakit niyang pilay." (Mrs Pantaleon was shocked; her body pains came back.) A piece of iron shrapnel, half-a-foot long, landed within 4 meters from that hut, the farmhand said.

The very next day after the bombing, U.S. Air Force Operations and Intelligence Officer Col John L. Cotton sought the help of Castillejos Mayor Manuel Felarca to reach the owner of the land, one Julieta Calvo, who lives in Metro Manila.

In a letter written to the mayor a few days later, Col Cotton claimed he had been given permission by Calvo to enter her land and fill the hole, and complained that the operation was blocked by Mrs Pantaleon.

The tenant's move was later explained to this writer by her aide. "She wants the investigations and everything finished first before allowing the crater to be filled."

Fr Shay Cullen, an American priest and a civic leader in Olongapo City, agreed with Pantaleon's logic.

"A pit is something you can never exhume; once it's covered up, it's gone forever," he observed.

The priest, who is also a writer, described Col Cotton's effort this way: "The U.S. Air Force tried and failed to cover up its mistake and bury the evidence under nine truckloads of dirt."

The letter, dated 9 December, questioned Pantaleon's legal authority to block Cotton's land-fill mission.

A letter signed by Mrs Calvo and five other signatories, however, tends to believe Col Cotton's claim that she had authorized the U.S. Air Force to fill the crater. The letter certified that "as (the) agricultural tenant over (the) land," Mrs Pantaleon "has all the authority to do whatever she (deems)...necessary and good for (the) land and to transact with anyone relative to the damage done to the land and crop as a result of (the) bomb explosion."

Not any less disturbing about Cotton's letter to the mayor is its ending paragraph: "We made an attempt to behave as a good neighbor in response to this unfortunate accident. We regret that we have been blocked in our efforts so far. If you could be of any assistance in allowing us to repair the damage and make things right, we would appreciate that."

Padre Faura officials may not easily be satisfied with such a manifestation of behaving "as a good neighbor." Caday and MFA's U.S. Division Director Melba Lim said they are just waiting for official complaints or petitions to be received from Zambales before acting on the bombing incident.

These may not be long in coming. Earlier, on 17 December, the provincial council of Zambales acted on a petition received that same day from its counterpart in Castillejos town by passing a unanimous resolution protesting the incident. Kagawad [council member] Arthur Rodriguez authored the resolution after Vice Governor Cesar Barretto caused the matter to be discussed immediately.

The Sangguniang Panlalawigan [provincial board] resolved to ask the MFA to protest the bombing--be it deliberate or accidental--to ask the AFP chief of staff to ensure the safety of the lives and property of the people from American bombs and similar hazards, and to demand that the U.S. authorities deal with the pilot of the plane according to military rules and the law. The same body is contemplating a resolution proposed by Kagawad Teresa Manikan to set at 20,000 feet the minimum altitude of aircraft flights over the province.

Gov Amor D. Deloso told this writer that he will "definitely endorse the (provincial council) resolution." Referring to the bombing, he said, "It's getting to be a habit; and certainly, we don't like that kind of habit."

Interviews at the Castillejos town center showed that the explosion sowed terror in the hearts of the residents. "(Sitio) Alucias is quite near this poblacion," one market vendor said. "We felt the tremors right here. What if a bomb falls on this market the next time?" For others, there was a measure of indignation as well. "It was pure recklessness, and we should not allow those who handle such dangerous things as bombs to be reckless!" a businesswoman exclaimed.

Most of the man-on-the-street interviewees would somehow go along with the logic of the U.S. authorities and demand that the latter pay the property owners an amount equivalent to the value of the palay destroyed, with estimates ranging from about 100 to 500 cavans. They would also expect the government to assist the property owners in their dealings with the U.S. Air Force.

But an elderly resident of Looc would demand reparation for more than just the physical harm brought by the U.S. bomb. "They should also pay the barangay for damages. After that incident, we have all become nervous here!"

This line of thinking runs parallel to that expressed by the Castillejos parish priest, Fr Audie Mozo, Jr. "Filling up the crater is not the point," the youthful priest said. "We are not questioning their ability and willingness to pay. The point is the safety of the people."

Deloso also discussed the question of peace of mind when he gave full support for the resolution passed by the provincial legislature. This matter is close to his heart because he was mayor of Botolan town in 1978 when a similar incident occurred at the poblacion of Botolan, the municipality nearest the provincial capital town of Iba. Deloso sued for damages amounting to half a million pesos, obviously well beyond the extent of the actual physical damage.

Deloso argued then that although the earlier bomb did not explode and a much-smaller crater was made just by the sheer impact of its fall, the peace of mind of his constituents suffered irreparable damage. "How much is the peace of mind of Botolanos worth?" the Mayor Deloso asked rhetorically.

[3 Jan 87 pp 1, 6]

[Text] The bomb that dropped from a U.S. warplane last 5 December exploded in an inner barrio of Castillejos, a landlocked municipality of coastal Zambales Province 147 kilometers by road from Manila.

This agricultural town of over 26,000 people is proud of a distinguished son who rose from the ranks of the downtrodden to occupy the seat of the presidency--Ramon del Fierro Magsaysay. Months after the late president's nephew, Vicente Magsay-say of the Kilusang Bagong Lipunan, [RBL] was replaced as governor by former Botolan Mayor Amor D. Deloso, Castillejos may have remained a Magsaysay bailiwick.

There have been differing expectations as to what the incumbent provincial leadership would do about the bombing incident.

"Deloso is a good speaker," conceded an apparent supporter of the former governor, "but I have yet to see what he will actually do, considering the bomb fell very far from Botolan and in Magsaysay's town yet!"

A tricycle passenger, on the other hand, expressed confidence in the present leadership, adding that she believes Deloso will act for the good of the entire province. "We are also very confident about the vice governor," she added, referring to Vice Gov Cesar Barreto.

Governor Deloso, however, sounded earnestly concerned over the incident not as a former mayor of another town, not even just as the official political leader of over 300,000 Zambalenos, but as a resentful Filipino.

He expressed to this writer a lurking suspicion, a rather bitter one. "Either the pilot who dropped that bomb was under the influence of drugs or he simply acted in utter disregard of the very lives of the people below. After all, Filipinos are to them merely second-class citizens of this world," he said.

Deloso recalled that his pursuit of justice in the case of the bomb-dropping in 1978 was stopped by then Foreign Affairs Minister Carlos P. Romulo.

The Marcos regime's cabinet man invoked the "higher interest" of "Philippine-American friendship" in staying the hand of the town executive over the incident.

The governor expressed hope that the new government would support or at least not block the provincial leadership's protest and demands.

The Sangguniang Panlalawigan [provincial board] resolution, a copy of which is now on its way to the Ministry of Foreign Affairs in Manila, calls on the national government to protest the bombing even if it may be accidental, and to secure the people from similar hazards in the future.

Sr Agneta Lauzon, CICF, who heads the Association of Women Religious in Zambales expects the national government to take this matter seriously as a hazard on our security and an affront on our national dignity. She deplored that lives and limbs of Filipinos are risked and sacrificed so the U.S. Navy and Air Force can conduct their practice flights and bombings.

Maj Thomas Boyd of the U.S. 13th Air Force later said the plane was using the target bombing range of the U.S. Navy across the Subic Bay which is nearer the explosion site, or roughly 6 miles away. Boyd emphasized that an error in pushing the release button could have been only by a margin of a few seconds for the bomb to fall 6 miles off target.

"But we will have to investigate the whole thing before we can make any conclusions," Boyd said, adding that the probe "can take some time."

Fr. Cullen stressed that the Philippine Government cannot compel the U.S. military to even just confirm the presence of nuclear weapons aboard its air and sea craft. Nothing can make U.S. officials bend over backwards in its policy of neither confirming nor denying the presence of nuclear weapons anywhere in its custody, and Washington would forego U.S. relations with such allies as New Zealand just to stick by this policy.

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CSO: 4200/273

AQUINO BEGINS CHARTER CAMPAIGN, OPPOSITION REACTS

Aquino Itinerary

HK020312 Manila Far East Broadcasting Company in English 2300 GMT 1 Jan 87

[Text] President Aquino stages a month long campaign for the ratification of the new constitution today. She will visit key cities throughout the country to solicit yes votes for the new charter. Her first destination will be Naga and Legaspi cities in the Bicol region where she will stay for 2 days. While there, the president will hold dialogues with multi-sectoral groups. Her next destination is Dagupan City in Pangasinan. She is also scheduled to campaign in Cebu City, Zamboanga City, and Baguio City on 8 January. The president expressed confidence that the Filipinos will support her in the 2 February plebiscite when the new charter goes up for ratification.

Opposition Describes Campaign as 'Waste'

HK020316 Manila Far East Broadcasting Company in English 2300 GMT 1 Jan 87

[Text] Opposition leaders assailed President Aquino's campaign for the ratification of the proposed new constitution as a waste of public funds. The KBL led by its acting president former Speaker Nicanor Yniguez said President Aquino should look into the problems of millions of Bicolanos suffering from severe unemployment, communist insurgency, and lack of food, clothing, shelter, and medicine, instead of launching the yes drive for the proposed constitution. KBL leaders in Naga and Legaspi cities said two cabinet ministers have arrived there to prepare a grand and royal welcome for President Aquino. They also said barangay leaders have been pressured to produce welcomers for Mrs Aquino.

Enrile Resumes Criticism

HK021447 Hong Kong AFP in English 1441 GMT 2 Jan 87

[Text] Manila, 2 Jan (AFP)--Former Philippines Defense Minister Juan Ponce Enrile Friday resumed his criticism of President Corazon Aquino, attacking her for entering into a cease-fire with communist rebels.

"The cease-fire has not become a boon, but a burden to our people," Mr Enrile said, and the government was like an "innocent child" for forging the 60-day truce and entering into negotiations with the rebel National Democratic Front.

Mr Enrile, who was sacked late November after being linked to an alleged plot to overthrow Mrs Aquino, made the criticism in a speech prepared for delivery in Dipolog City at the start of a five-stop tour of Mindanao Island.

A spokesman released excerpts from his speech to Manila newspapers, but there were no immediate reports that the speech had been delivered.

The Mindanao tour is Mr Enrile's first provincial appearance since he was fired.

His only other public appearance since then was a speech to a conference of the Nacionalista Party, a right-wing opposition group which he leads.

Mr Enrile had openly opposed the truce and peace talks while in the government.

Aquino Speech in Legaspi City

HK030410 Quezon City Radyo ng Bayan in Tagalog 0305 GMT 3 Jan 87

[Speech by Philippine President Corazon Aquino in Legaspi City--Live]

[Text] [Passage indistinct] We hope to make improvements in the Philippine National Railways to help the people in this region. You know, because of the wonderful welcome and support you have extended to me, I will not forget you. [Applause]

In truth, I have many Bicolanos [persons hailing from Bicol region] helping me in the government. First of all, there is my executive secretary, Joker Arroyo. I know I am the president of the entire country but [words indistinct] if there is no peace in our country, we will be unable to continue our economic recovery program. This is why we are striving to restore freedom, justice, and peace in our country. We are endeavoring to do this by means of many projects [words indistinct] as well as trying to find out what it is our people want. This is what freedom means--that we can all speak freely and express all our thoughts and feelings. This is why we are here, so that we can learn from you as to what it is our administration can do for you.

In recent times, our nation was in deep turmoil with Filipinos fighting brother Filipinos and killing each other. Now we are [words indistinct]. If the cease-fire agreement is successful, we will have an end to all the killing.

So that peace will be meaningful, it is necessary for the people to be able to go about making a living. If there is no peace, the people cannot make a living. As you know, the past administration left us with innumerable debts.

Much of our money was taken to foreign countries, and this is why we have had to ask for aid from the United States and Japan as well as from our neighbors, Indonesia and Singapore. [Words indistinct] So now we are inviting foreign investors to come and help set up their business enterprises so that employment can be provided for those of our people who are experiencing difficulty in finding work. However, to implement this program of my administration, it is necessary to have our new constitution ratified. This morning, if you read the paper, Luis Beltran says we are campaigning to entrench ourselves firmly in power. [Words indistinct] a democratic constitution, we will hold elections to choose our government officials. This is why we held a new registration, to have a clean election. In the old days, many people were able to vote several times on one ballot; however, now we have done away with this. We now have a new registration list.

We have come here not just to ask for your help on our own behalf and our government but for all the people so that we can achieve political stability. [Words indistinct] and so that we can show the world that Filipinos know how to uphold freedom and peace. Just some moments ago, I caught sight of a poster reading. "Filipinos [words indistinct] woman of the year." I became woman of the year only because of you, because of the help you extended to me. This is why I say [words indistinct]. [Applause]

[Words indistinct] I have come here is because I know that you support me and you want me to continue as president. [Applause] After we ratify the constitution, we will hold elections, then I will come back here to visit you [applause] and [words indistinct] candidates for senator. We are really trying to determine who will best serve you. So, let us support those who you think can help your province as well as the entire country. As I have said, I am prepared to serve you. [Applause] And I am being helped by our ministers and by [words indistinct]. Your yes vote will be for democracy. This yes vote is for our economic recovery program. This yes vote is for our children so that they can live in freedom and so that we will not again have a dictator in our midst.

[In English] We want to wish all of you a very happy new year.

[In Tagalog] It is very necessary that we help each other. We need your help to get our projects implemented. We have so many problems; this is why we need to help each other. I am sure the new year will bring us many blessings. Good day and thank you. [Applause]

Enrile Calls Aquino 'Dictator'

HK060545 Baguio City Mountain Province Broadcasting Company in English
0330 GMT 6 Jan 87

[Text] Former Defense Minister Juan Ponce Enrile called President Aquino a dictator, worse than ousted President Marcos, because of instability in the country and ignorance of the law. Enrile made the accusations during his campaign sortie in Davao City for the rejection of the new constitution. He urged everyone to vote for the rejection of the Cory draft constitution because it does not serve the interests of the Filipino people.

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CSO: 4200/272

RAMOS CHARGES COMMUNISTS 'INTIMIDATING' ON CHARTER

HK310953 Hong Kong AFP in English 0943 GMT 31 Dec 86

[Text] Manila, 31 Dec (AFP)--Philippines Communists are coercing and intimidating people in an effort to force them to vote against a draft constitution in a plebiscite in February, Armed Forces Chief Fidel Ramos charged Wednesday.

General Ramos told newsmen that he had received eight reports of "harassment, show of firearms, even indiscriminate firing," by communist insurgents in the countryside, to intimidate people into voting against the draft charter 2 February.

Communist spokeswoman Carolina Malay meanwhile refused to give a direct answer when asked at a separate press conference if the rebels had launched a campaign for rejection of the new charter.

But she acknowledged that this was "an objective assessment" in response to repeated questions. She is a spokeswoman for the National Democratic Front (NDF) which is representing the communists in peace talks with the government.

Gen Ramos said that the total number of possible communist violations of a 60-day renewable cease-fire with the government which took effect 10 December had now reached 32.

He denied an NDF charge Tuesday that guidelines issued to the military described the communists' raising of funds by "taxation" of supporters in rural areas as a cease-fire violation.

However, such taxation was considered illegal and offenders were liable to arrest, he added.

President Corazon Aquino meanwhile in a televised new year's day address reiterated her call for Filipinos to fully support the new constitution.

The new charter "should enjoy the support of all Filipinos who believe in democracy for the peaceful and orderly resolution of their differences and attainment of their common aims" she added.

Mrs Aquino, who came to power in February after a popular revolt toppled President Ferdinand Marcos, has staked the legitimacy of her rule on a "yes" vote from the electorate to ratify the new constitution, which confirms her in power until 1992.

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CSO: 4200/274

AQUINO TO ISSUE LAND TITLES IN REGION 2

HK061401 Manila Radio Veritas in Tagalog 1000 GMT 6 Jan 87

[Text] Aquino will issue emancipation titles to more than 5,000 agrarian reform farmers in region two on her visit there on Saturday, continuing her campaign to have the charter approved. Here are the details from Ben Almida of the Malacanang Press Center.

[Begin recording in English] The president is scheduled to visit the region as part of her campaign for the ratification of the constitution next weekend. The distribution of the patents was announced by Agrarian reform Minister Heherson Alvarez who said it will be the first time under the new government that emancipation patents or titles will have been distributed to farmer beneficiaries who will acquire ownership of the land they till by virtue of said patents. The titles that will be distributed by President Aquino will cover 6,000 hectares of rice and corn lands. They will be distributed in Isabela, Cagayan, Quirino, Nueva Viscaya, and Kalinga-Apayao. In addition, Minister Alvarez announced that the Ministry of Agrarian Reform will distribute more than 22,000 emancipation patents covering 8,000 hectares within the next few days in the following areas: Regions 5, 3, 9, 6, 10, 1, and 8 among others. Thus, the Aquino administration will be able to distribute more titles to farmers in less than a year than the past administration did in the previous 13 years, Alvarez said. He added that the Marcos regime had issued a total of 21,628 patents to 17,000 farmers cultivating 12,000 hectares from 1973 to early 1986. [end recording]

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CSO: 4211/20

LABOR MINISTER VOWS TO STRIVE FOR MORATORIUM

HK051317 Manila THE PHILIPPINE STAR in English 5 Jan 87 pp 1, 6

[Article by Felix R. de Los Santos]

[Text] New Labor Minister Franklin Drilon vowed to continue meeting with the labor and management sectors in order to push through with the suspended strike moratorium, even as the militant Kilusang Mayo Uno [KMU--1 May Movement] announced it would hold a nationwide strike today to protest the ouster of Augusto Sanchez.

Crispin Beltran, KMU chairman, said some 15,000 workers belonging to 160 unions in various manufacturing and service firms affiliated with the organization in Metro Manila will join the strike, which will peak with a march to Malacanang by its members at 4 pm today.

Workers from the Bataan Export Processing Zone, Cebu, Cavite and Negros and some Mindanao provinces are also expected to join the protest strikes, he said.

Leto Villar, chairman of KMU-National Capital Region, told the STAR some 2,000 workers were expected to participate in the vigil-barricade at the ministry offices last night.

The KMU also plans to present to President Aquino tomorrow the following demands:

The retention of Sanchez as minister, implementation of the President's Labor Day pronouncements, integration of the emergency cost of living allowance and the present minimum wage rate with the resultant sum to be declared as the adjusted minimum wage, abolition of the Pag-IBIG plan, and the absolute right to strike and to organize.

Villar also disclosed that Sanchez had advised the KMU to respect the new minister and give him a chance, and to give up the mass action.

Villar said however, they cannot follow Sanchez advice since the issue is not Sanchez' person, but the ouster of a minister who protected the rights of the workers.

"We are not against Drilon. Anybody who will replace Sanchez, even (Wigberto) Tanada, cannot stop us from carrying out this mass action. Drilon happened to come in at this time when there are issues, most of which are economic," Villar said.

In an interview yesterday, Drilon said he believed the strike moratorium is "the only way to settle the current problems of both labor and management."

As Deputy Labor Minister Drilon had been meeting with representatives of labor and management on the possibility of having at least 100 days of moratorium on strikes to give the economy a breather from labor strifes and hopefully give economic recovery some momentum.

The moratorium meetings, however, were suspended when labor leader Rolando Olalia, who had expressed approval of the moratorium, was murdered on 13 November. His death was followed by the Cabinet reorganization, including the replacement of Sanchez.

Drilon's appointment as the new labor minister was announced last Saturday by Press Secretary Teodoro Benigno before leaving for Bicol to join the presidential party in the campaign for the ratification of the new charter.

The Labor Ministry should be sensitive to the views of both labor and management sectors on any issue, and balance the interests of these two sectors, Drilon said.

"The Labor Ministry should review the labor relations system in the light of policies put forward in the new charter," he added.

On the KMU, Drilon said he has had a "good relationship" with the organization for the past 3 months. Although he admitted that the labor sector initially resisted him, "when I assumed the post of deputy labor minister, I think I have shown them I can be fair."

Unlike the KMU, the Trade Union Congress [TUCP] of the Philippines and the Cebu-based Associated Labor Union (ALU) yesterday hailed the appointment of Drilon who, they said was "the right man to replace 'left-leaning' Labor Minister Sanchez."

TUCP President Democrito Mendoza said, "We hope Drilon can provide effective leadership and much needed direction in the badly-shaken Labor Ministry."

Considering his direct involvement in the initiation of the strike moratorium meetings with the management and labor sectors, Drilon is expected to bring stability to industrial relations.

Born 28 November 1945 in Molo, Iloilo City, Drilon finished his bachelor of laws at the University of the Philippines in 1969 and placed third in the bar exams that year. He was associate editor of the PHILIPPINE COLLEGIAN

(1968-1969), member of the order of Purple Feather (Law Honor Society), Sigma Rho Fraternity and was an officer of the cadet corps.

The new labor minister also served as bar examiner on labor and social legislation in the 1974 and 1984 bar exams.

Drilon was adviser of the Philippine Employer delegation to the 70th and 71st session of the International Labor Organization in Geneva, Switzerland in 1984 and 1985 while serving as vice president and governor of the Employers Confederation of the Philippines.

He was appointed deputy labor minister in August 1986.

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CSO: 4200/274

ECONOMIC PLANNING MINISTER ON GROWTH ASSISTANCE

HK050529 Baguio City Mountain Province Broadcasting Company in English
0330 GMT 5 Jan 87

[Text] Economic Planning Minister Solita Monsod warned that the country might not achieve its 6 to 7 percent annual growth targets over the next 6 years if it does not get additional financial assistance and if it fails to effectively stem the outflow of some \$2 billion, representing the country's annual repayment from its huge \$26.4 billion foreign debt. Monsod's position, which calls for a \$10.6 billion growth facility from the country's creditor commercial banks over the next 6 years, runs counter to the joint position of Central Bank Governor Jose Fernandez and Finance Minister Jaime Ongpin, who said earlier that the government will not ask for any new money facilities from the creditor banks when debt restructuring talks are resumed early this year. Fernandez said there is no perceived need for requesting such money assistance from commercial banks because of the good prospects for getting official development assistance or loans extended by creditor countries. Monsod however argues that there should be a ready source of funds to finance government efforts to achieve growth in the economy over the next 6 years, even if this means paying commitment fees of \$18 million a year on multi-billion dollar (fresh) loans that might be committed to the Philippines by its bank creditors.

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CSO: 4200/274

MINISTER REPORTS ON REBEL REHABILITATION PROGRAM

HK061403 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 6 Jan 87

[Text] Twelve Resettlement areas for former rebels and their families worth 400 million pesos in human service facilities were prepared by the Land Reform Ministry. Here is the full report from [name indistinct] Custodio.

[Begin recording] The resettlement areas are in Sultan Kudarat, Karimatan, Lanao del Norte; South Cotabato; (Laac) Davao del Norte, Zamboanga del Norte; Tawi Tawi; Jolo, Sulu; Basilan, Sta. Rita in Western Samar; Capas, Tarlac; and Quirino, Nueva Viscaya. According to Agrarian Reform Minister Heherson Alvarez, the said resettlement areas measure 100,011 hectares of disposable land which the government can get through the Land Bank of the Philippines. Alvarez also said that the government will set aside 1.3 billio peses for land acquisition and an additional 1.2 billion peso budget for infrastructure development in the areas. This project, according to Alvarez, is part of the government's rebel rehabilitation and [word indistinct] development program which began after the cease-fire agreement was effected on 10 December. He added that his ministry plans to get private land leased by the banks, sequestered farmland, and government owned land if the rebels cannot be accommodated in the 12 resettlement sites. He said that leased and sequestered land has a total area of 100,002 hectares which can be given to the rebels and landless farmers. The government will put up physical facilities in the resettlement sites and will lend money to the resettlers so that they can start a new life. The credit facility that will be given to the rebels is a production loan that can help them enrich the land, make use of agricultural equipment and enable them to have enough capital, which will gain 12 percent interest per annum. [end recording]

/8918

CSO: 4211/20

MINISTRY GIVES REBEL AREAS DEVELOPMENT PRIORITY

Manila PHILIPPINE DAILY INQUIRER in English 17 Dec 86 p 9

[Article by Nick Gumabay and Ike Arevalo]

[Text]

REBEL-infested local government units will be given top priority in the implementation of Rural Roads Program (RRP) in support of the cease-fire agreement, according to Local Government Minister Jaime N. Ferrer.

Ferrer said he has directed the MLG top officials headed by Deputy Minister Clelio Alfaro to make available no less than P270 million for the program even as he directed them to revise administrative procedures in the implementation of the program.

The MLG official said the areas to be benefited by the scheme are Cagayan Valley, Abra, Mt. Province, Kalinga-Apayao, the Bicol provinces, Samar, Tawi-Tawi and Camiguin.

A task force headed by Lawyer Romeo Sarte and assisted by Director Macellano Cosio of the Bureau of Local Government Development (BLGD) was created solely for

the purpose of revising the administrative procedures.

Ferrer pointed out that the rebel-infested provinces have been left out during the deposed Marcos administration in terms of implementation of development projects that it is understandable why they became hotbeds of the insurgency movement.

"The fact that these are rebel-infested provinces the more attention should be given them with respect to developmental projects, like RRP, in order to help lessen the severe economic crunch being felt by the people in these areas which have caused them to rise up in arms and to encourage them to eventually return to the folds of the law," he added.

The RRP is presently operating under the existing policies and rules which give richer provinces like Pangasinan, Nueva Ecija and Tarlac, a chance to get more benefits in terms of roads, bridges, spillways and culverts.

Under the revised procedures, however, these provinces may no longer be expected to receive projects from RRP till next year.

The MLG chief also explained the need for the revision of the RRP procedures as the present setup could easily be abused by provincial executives who only give benefits to favored municipalities.

The Rural Roads Program is one of the MLG special projects which could be made possible either through administrative negotiated or bidded contracts and is being implemented under the so called fixed amount reimbursement (FAR) scheme.

Under the FAR, the province or municipality initially advances total project cost to the contractor and on project completion, the national government reimburses the local unit 75 per cent since the local unit is supposed to shoulder 25 per cent of the total project cost.

DAVAO WEEKLY, GROUP HIT ECONOMIC, DEVELOPMENT AUTHORITY

Davao City THE MINDANAO MAIL in English 4-11 Dec 86 pp 1, 6

[Article by Jimmy Dizon]

[Text]

The National Economic and Development Authority (NEDA) is one government office that can not claim any accomplishment worthy of its name.

During the 20-year reign of President Marcos, NEDA was a "think-tank" conjuring projects by which international financial institutions were conned billions of dollars which subsequently find their way to Swiss banks or laundered in the flourishing real estate market of San Francisco, New York and elsewhere.

Consequently, with the absence of any direction, the nation's economy floundered. By 1985, it (the nation) posted a negative growth of five percent (-5%)!

With this backdrop, the Citizens Concerned with the Future of the Philippines (CCFP), in a gathering at a private residence at Insular Village (Sasa district), discussed in a free-wheeling fashion the prevailing economic situation obtaining in the country. Their discussion,

however, was confined to one subject: the Executive Order No. 26 and the possible involvement of NEDA with it.

Composed of businessmen, executives, professionals, educators and a writer, CCFP — with its orientation towards reforms — represents a cross-section of the region's intelligentsia as in their respective stations and callings, the members are exposed to the complexities besetting the contemporary society.

Their concern with Executive Order 26 is due to a common feeling that President Corazon Aquino has been misled into signing it by people who are either the interest of foreign concerns or are simply stupid and misfits in their positions in the government.

Executive Order No. 26 was signed by President Aquino sometime in June and came into effect July 1, 1986. It decreed all export of the country are exempted from paying duties. The rationale is to encourage pro-

duction of exportable products.

A professor of economics among the CCFP members observed, E.O. No. 26 is too encompassing and sweeping. It includes export of multinational companies needing no subsidy from the government.

He named cavendish bananas and canned pineapple product whose productions and export are done by transnational companies (TNC).

Using a well documented report of Customs District Collector Francisco T. Matugas of Davao, the lady educator says cavendish and canned pineapple products rank number 1 and 3 respectively among the forty-five being exported from this region.

By exempting them from paying export duties, the national government is deprived of as much as 100 million pesos a year.

Another lady in the group, also an educator, questions the administration's morality of allowing gambling casinos to operate saying the government needs money but exempting TNCs from export duties which they (TNC) can very much afford.

At this point a middle-aged man, obviously an executive of a TNC, entered the

discussion saying the controversial Executive Order was not signed by the President blindly and that substantial study has been done about it specially by NEDA.

He was, however, answered by a chorus saying NEDA is an agency full of nincompoops citing what it did for the last twenty years under the Marcos regime.

Finally, the writer in the group proposed the drafting of a position paper advocating the abolition of NEDA. He says by abolishing the NEDA, the inept Ph., D., holders and their likes in the agency can be purged from government service without running counter to the civil service law. The position paper is to be submitted to the President and the Ministry for Government Reorganization.

He cited as an example of incompetence and ineptitude the ignorance of the local NEDA in the Region XI of the existence of Executive Order 26 and its adverse effects on the government economic viability.

CCFP, as a group, proposes the creation of a more responsive agency to chart the course of the country's economic development saying this nation of 55 million people can longer entrust its fate on a handful of crackpots.

ISABELA NPA CLAIMS PC OFFICER LINKED TO OLALIA KILLING

HK021321 Manila THE MANILA TIMES in English 1 Jan 87 pp 1, 6

[Article by Marvyn Benaning]

[Text] Somewhere in Isabela--A leader of the New People's Army (NPA) here yesterday claimed a certain constabulary captain closely fits the descriptions of the man wanted by authorities for possible involvement in the brutal murder of labor leader Rolando Olalia.

Sporting the nom de guerre ka [comrade] Eddie, the 12-year NPA veteran told THE MANILA TIMES the same officer disappeared from Isabela shortly before the casing of the Olalia house in Mandaluyong, Metro Manila happened.

The former University of the Philippines (UP), student said the long-time PC [Philippine Constabulary] intelligence operative resembles the man who witnesses claimed, surveilled the Olalia house several days before the gory crime was committed.

According to Ka Eddie, the Olalia suspect "is notorious in Isabela for extortion and brazen violations of human rights of peasants and suspected NPA sympathizers in the province."

He said the same military man has been involved in at least 27 cases of summary execution (salvaging in police parlance) and eight confirmed cases of rape. Ka Eddie also said the suspected Olalia killer is known far and wide in Isabela as being close to a top PC general who assumed a far more powerful post in the aftermath of the February military-civilian uprising.

Ka Eddie claimed that the NPA intelligence network has in its possession photographs of the PC officer which they would gladly furnish the Task Force Olalia (TFO) which is currently handling the probe of the celebrated case.

Based on information they have culled, elements of the National Democratic Front (NDF) in Isabela are reportedly preparing to transmit a written report on the PC officer for evaluation by the government probe body headed by Justice Minister Neptali Gonzales.

A check with known friends of the PC officer, the NPA leader said, showed that the PC officer has been the subject of various complaints by Isabela residents but none so far has succeeded in bringing him to a court-martial for his supposed violations of the Articles of War.

The same officer, the sources said, was once seriously wounded in an encounter with Red fighters in Isabela but managed to recuperate and resume his work in the counter-insurgency campaign in Cagayan Valley.

Claiming that the PC officer is "untouchable," the NPA cadre said "he (suspect) seems to have been under the direct control of a top General Headquarters (GHQ) official."

Merchants in the province, the NPA leader claimed, have been complaining about the unabated extortion activities of the officer since the February uprising.

At least one small logger in Isabela told the NPA the PC captain could operate with impunity, with neither his military superiors and civilian officials acting to discipline him.

The NPA leader, however, corrected an earlier story of THE MANILA TIMES (see 8 December issue) about the involvement of a colonel in the Olalia killing and said it is this PC captain who has the kind of hair, build, height, complexion, age and even the heart-shaped gold earring in the right lobe of his ear that fit the descriptions made by witnesses to the Olalia-alay-ay double murder.

Ka Eddie said the suspect in the Olalia-alay-ay murders is still in Isabela and the government will have no difficulty in finding him "should the TFO wish to really solve the worst crime committed against the trade union movement in the country under the Aquino regime."

/9599

CSO: 4200/274

MILITARY, NDF REPORT 54 CEASE-FIRE VIOLATIONS

HK050443 Hong Kong AFP in English 0426 GMT 5 Jan 87

[Text] Manila, 5 Jan (AFP)--The military has reported 40 "possible" cease-fire violations while communist insurgents have complained of 14 incidents since a truce came into force 10 December, the chairman of the National Cease-fire Committee (NCC) said Monday.

Bishop Antonio Fortich told a weekly press forum that the NCC, an independent five-member panel, had so far examined only four of the 40 "possible" violations of the cease-fire reported by the military.

It has yet to act upon those alleged by the National Democratic Front (NDF), the rebel's political arm, he added.

He also acknowledged that 25 days after the truce took effect, the NCC--in which the NDF is represented along with the government's army--had still not been able to agree on guidelines regarding three issues:

- The definition of "populated centers," where, according to the cease-fire agreement, the rebels are not permitted to carry firearms.
- The wearing of uniforms by the rebels.
- The right of the military to conduct armed patrols wherever it wants.

Ten regional cease-fire committees have now been set up for a total of 13 regions while at the lower provincial level, 70 percent of the local cease-fire committees are already in operation, Bishop Fortich said.

He expressed the view that a 60-day cease-fire was not long enough to allow the government and the NDF to reach an agreement over the fundamental problems of the Philippines. Formal talks between the two panels are to start Tuesday.

The NDF representative in the NCC, Francisco Pascual, claimed the right of members of the communist New People's Army to carry firearms during the cease-fire since, he said, they belonged to "a revolutionary organization waging an armed struggle."

He added that the NDF was contesting half violations reported by the military and was still conducting its own investigations into the remaining.

On the military side, Major General Renato de Villa said there had been 42 violations involving 33 casualties, 10 killed and 23 wounded. All the wounded were civilians, he said.

Two of these had not been reported to the NCC, observers noted.

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CSO: 4200/274

FORMER REBEL LISTS NPA EFFORTS FOR '1990' TAKEOVER

Davao City THE MINDANAO MAIL in English 13-19 Dec 86 pp 1, 6

[Article by Tim R. Alanib]

[Text]

The president of NMFD also bares the following dates and facts of the CPP/NPA:

- * December 26, 1968 - the founding of the Communist Party of the Philippines (CPP); and the birthday of Mao Tse Tung.

- * March 29, 1969 - the founding of the New Peoples Army (NPA) in the province of Tarlac which originally began with 40 persons of force. Today, 1986, there are 23,000 armed forces of the group covering 69 provinces of the 73 provinces of the archipelago.

- * The CPP had already entered all sectors of the land by different fronts of the party. The following sectors are; labor-KMU; studentry - LFS; farmers - KMP; teachers - ACT; lawyers - FLAG; Church - front headed by Fr. Edicio dela Torre. Other fronts are the BCC, SAC, TFD, etc.

Going back to the sweeping statement of Jose Sison as quoted by Alcover that Communists will take over the Philippines by 1990, the surety is based on the entrance

Three years from now after December 31, 1986 the Philippines will be in the hands of communists. This was stressed by Jun Alcover before the marchers and rallyists that converged at the Rizal Park, Davao City, December 9, 1986. The surprising statement was quoted by Alcover from the speech of Jose Maria Sison in Australia last October of this year.

Jun Alcover whose full name is Pastor Alcover, Jr. of Cebu City is a former commander of the NPA and one of the organizers of the group in Visayas and Mindanao. He is now the president of the National Movement for Freedom and Democracy (NMFD) based in Cebu which concentrates its mission in Visayas and Mindanao.

Alcover was the invited speaker at the rally conducted by the Christian's Action to Love the Communists (CALCOM) based in Davao City.

Alcover bravely articulated in Cebuano the evils of communism. Communism, aside from being godless, is also an ideology of deceptions and lies, he said.

of the different fronts in all sectors of the society plus the members of the group who are holding major offices in the government. In Mindanao alone, there are 200 who are working in the government. How much more in Luzon and Visayas?

The CPP has two arms - the sword and the shield. The sword stands for the armed forces - the NPA, and the shield stands for the political force or arm - the NDF.

Ceasefire? Actually there's no ceasefire said Alcover. The left-NDF cease firing but the right NPA keeps on firing. That's what ceasefire means.

In the dialect, Alcover said as to the ceasefire agreement: "Dili kita angay magkompiyansa sa kasabutan sa 'ceasefire' taliwala sa gobyerno ug sa NDF kay usa lang kini ka lansi sa mga komunista. Ang kasabutan sa 'ceasefire' sa Cambodia, sa Vietnam, sa Nicaragua, ug uban pa wala g'yud mosalir. Ang 'ceasefire' gamiton sa mga komunista sa pagbaid sa ilang mga himan sa gubat aron moandag sa gobyerno human sa gitagal nga 60 diyas."

OFFICER DISCOUNTS NPA THREAT TO MANILA

HK011307 Hong Kong AFP in English 1304 GMT 1 Jan 87

[Text] Manila, 1 Jan (AFP)--A top Philippine military officer Thursday said communist rebel squads in Manila were capable of political assassinations but could be easily wiped out by security forces.

"Their capability may be liquidation or assassination of personalities here but no way can they generate any combat power against our own forces here," said Brigadier General Ramon Montano, Manila's police chief and military commander, in an interview with a private television station.

"We can easily wipe them out," he added.

He said the rebels also had gangs that snatched firearms from police and troops.

A 60-day nationwide cease-fire between the government and the communist-led National Democratic Front (NDF) rebel alliance began 10 December.

Allegations of violations by both sides have mounted but the truce has held.

Both sides are also busy waging propaganda campaigns and retraining their forces for a possible resumption of hostilities after the first formal cease-fire in 18 years of communist insurgency.

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CSO: 4200/274

MARINE TROOPS ALERTED TO ANOTHER POSSIBLE YAKAN ATTACK

HK021347 Manila MANILA BULLETIN in English 2 Jan 87 p 8

[Text] Isabela, Basilan--Government troops have been alerted to meet another attack by Yakan tribesmen who raided this capital town on 23 and 24 December, killing at least eight persons and burning 300 houses.

Col Cesar C. Abella, 1st Marine Brigade commander, said that two truckloads of heavily armed Yakan tribesmen were seen heading toward the town last Monday.

But the Yakans were not able to push through their plan because Marines with armored vehicles were guarding the town, Abella said.

He has further issued orders to his men to strictly enforce the firearms ban and shoot if necessary those who refuse to be disarmed.

"Once is enough. Their initial defiance was a declaration of war against the Marines," he said.

Some 13 assorted firearms were confiscated by a combined team of Marines, PC, and police during zoning operations yesterday, according to reports.

In another development, Yakan students of the Mindanao State University in Marawi City were reportedly held hostage by a Maranao group which demanded P500,000 to compensate for the damage suffered by Maranao businessmen whose establishments were destroyed last 23 and 24 December.

Military authorities in Lanao del Sur, however, have not confirmed the report.

Meanwhile, some 3,000 fire victims here have prepared a petition to President Aquino requesting for the immediate probe of what they termed as "deliberate burning" of their commercial establishments and residential houses and the looting and robbery perpetrated allegedly by the raiders.

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CSO: 4200/274

REBELS 'STILL WILLING TO PURSUE PEACE TALKS'

HK030840 Hong Kong AFP in English 0837 GMT 3 Jan 87

[Text] Manila, 3 Jan (AFP)--Communist rebels Saturday said they were still willing to pursue peace talks after the Philippine Government's firm rejection of their demand for a coalition, which they blamed on alleged U.S. meddling.

Negotiators for the communist-led rebel alliance, the National Democratic Front (NDF), told a news conference both sides should aim for a dialogue on the "root causes" of the insurgency before tackling any specific issues.

The government Friday angrily dismissed an NDF call for a coalition as "illogical and unfounded" and ruled out its demand for the removal of U.S. military bases and the immediate release of rebel leader Rodolfo Salas.

In a letter to government peace negotiators released here Saturday, the NDF said there was a "wide divergence of approach" by the two sides to an agenda for further talks and that "we cannot find a basic common ground."

Chief NDF negotiator Satur Ocampo told reporters after a meeting with government negotiators that talks would continue.

The next session is set for Tuesday.

The NDF dismissed as mere "incentives" and "palliatives" a government proposal to limit the agenda to land reform and industrialization, and an offer of free education for children of slain rebels, free hospitalization for their sick and wounded, and financing for rural cooperatives to be set up by the NDF.

NDF negotiator Antonio Zumel said he had got the impression from Saturday's meeting that the government wanted to come up with concrete projects to justify an extension of the present 60-day cease-fire beyond 7 February.

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CSO: 4200/274

NDF LEADERS DISCUSS CEASE-FIRE PROBLEMS

OW050023 Tokyo KYODO in English 0003 GMT 5 Jan 87

[Text] Manila, 4 Jan (KYODO)--Warlord armies, some allegedly under the command of former Philippine Defense Minister Juan Ponce Enrile, are preventing the formation of a regional ceasefire committee, a top leader of the communist-led New People's Army (NPA) said Sunday.

In a press conference, Jefferson Tugawin, 32, regional representative of the leftist coalition National Democratic Front (NDF), denounced the existence of "more than 37 warlords all over northern Luzon that continue to question the good faith of the ceasefire accord."

According to Tugawin, Enrile, who commands 1,975 men armed with sophisticated weapons, including an armored personnel carrier and a helicopter, to guard his 800,000-hectare timberland concession, is one of the most powerful among the warlords.

The warlords and the presence of military officers said to be human rights violators are "the immediate problems for the formation of a regional ceasefire committee" in the Cagayan Valley and Ilocos provinces, Tugawin said.

Tugawin said that one of the conditions of the 60-day truce between the government and the NPA signed 10 December was for the military "to disarm, disband, and prosecute the warlord armies."

When asked if the northern Luzon problem might lead to a breakdown in the ceasefire, Antonio Zumel, NDF peace negotiator, said the situation "is very sensitive."

"It has been almost a month since the ceasefire agreement, and still not even one warlord army has been disbanded," Zumel said.

"In many instances in the past 2 months, these military commands and warlords have expressed their opposition to the preliminary ceasefire accord," Tugawin said.

According to Tugawin, on the very day the truce took effect, Lt Col Rodolfo Aguinaldo of the constabulary held a rally denouncing the ceasefire agreement.

"Afterwards, Gen Avila announced over the local radio...that his constabulary forces will continue normal combat operations notwithstanding the ceasefire."

Tugawin also accused Avila and Constabulary Col Hernani Figueroa of fabricating alleged NPA violations of the ceasefire agreement.

"In effect there is no ceasefire in Cagayan," Tugawin said.

The NDF representative also accused the military in the region of stockpiling arms and ammunition and imposing a food blockade in various towns in Cagayan.

"When we left Cagayan, three platoons of soldiers were coming in," he said.

Tugawin said that they are demanding the issuance of 10 safe conduct passes for their security men and the transfer of Aguinaldo and Figueroa from the region before the NDF takes part in the regional ceasefire committee.

Tugawin, however, said that "with or without the regional ceasefire committee, the NPA will respect the ceasefire agreement."

Meanwhile, peace talks between the government and the NDF, scheduled to resume on 6 January, appear "dimmer than any time in the past," Zumel said.

Commenting on the government's plan to limit the initial agenda of the talks to land reform and industrialization and rebel demands for land reform, removal of U.S. bases and a coalition government, Zumel said, "we want a comprehensive settlement...as of now we are poles apart insofar as the agenda is concerned."

Zumel added that they would continue with the peace talks even after the end of the 60-day truce.

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CSO: 4200/274

REEMERGENCE OF MILITANT WOMEN'S GROUP REPORTED

Makibaka Rejects Draft Charter

HK311339 Manila THE MANILA CHRONICLE in English 31 Dec 86 pp 1, 2

[Article by staff member Tess Villanueva]

[Text] General Luna, Quezon--The underground Makabayang Kilusan Ng Bagong Kababaihan (Makibaka) [Nationalist Movement of New Women] yesterday said it would campaign for the rejection of the draft constitution because it does not address the basic ills of Philippine society.

At the same time, Makibaka said it was losing hope in the Aquino government because the president's elitist tendencies have now become obvious.

Makibaka leaders expressed these views in their first press conference ever in a rebel zone near this town since it went underground in 1974. Claiming a nationwide membership of 200,000, the group is the women's arm of the leftist National Democratic Front.

Vic Vic Justiniani, Makibaka spokesperson, accused Mrs Aquino of setting aside the promises she made before the February revolution that toppled the Marcos regime.

These promises, she said, include genuine land reform and the dismantling of American bases in the country.

As a result, "lumalabo na ang pagasa ng mga masa sa gobyerno ni President Aquino, [The people's hope in the government of President Aquino is fading]," she said.

Ka [Comrade] Leticia, another Makibaka leader, also assailed the president for her elitist tendencies.

Speaking in Filipino she said: "The Cory Aquino today is very different from the Cory Aquino before the February revolution, and the President Aquino today, who was even given the (TIME magazine) 'Woman of the Year' award, has obviously become elitist."

Ka Leticia claimed that before the February revolution Mrs Aquino promised to make Hacienda Luisita in Tarlac a model of genuine land reform. Hacienda Luisita is owned by Mrs Aquino's family.

But now, Ka Leticia said, Hacienda Luisita has been petitioned for exemption from land reform.

In an official statement, Makibaka also urged the president not to limit the ongoing peace negotiations with the NDF to the draft constitution.

The president should also resist "pressures from the U.S. and military chauvinists" to prove her worth in defending the interests of the masses, it said.

Makibaka-NPA Links

HK021427 Manila THE MANILA CHRONICLE in English 2 Jan 87 p 3

[Article by staff member Tess Villanueva]

[Text] In 1971, members of the Makabayang Kilusan ng Bagong Kababaihan (Makibaka) [Nationalist Movement of New Womenhood] started getting noticed for picketing beauty contests, denouncing the treatment of women as "mere objects of pleasure."

Some 16 years later, and almost 15 years after going underground, the women no longer hold streamers. Most of them have joined the men in the hills and brandish M16's.

Fifteen years into its new phase of struggle, Makibaka made a fresh bid Tuesday to re-establish itself at the forefront of women's struggle as well as the revolutionary struggle by calling a first press conference in a rebel zone near General Luna, Quezon.

Victoria Justiniani, or Ka [Comrade] Vicvic, a former University of the Philippines student, and Makibaka spokesperson, told a group of reporters that the organization now counts 200,000 members, most of whom are peasants.

She said since Makibaka was outlawed shortly after martial law was declared, most of the group's members have fled to the hills to join the New People's Army.

Today, Makibaka is one of the National Democratic Front's 12 member-organizations. It continues to push for the rights of women, advocate revolutionary struggle for the attainment of genuine liberation for the women and the nation as a whole, Ka Vicvic said.

Shortly after it was outlawed, Makibaka was dissolved, Ka Vicvic said. Still, chapters were organized in parts of the country where the NPA and the NDF were strong.

In 1983, a provisional council was re-established, and a permanent one will be set up soon, Ka Vicvic said.

Not all of the Makibaka members today are with the NPA, but most of the female NPA members are also Makibaka members, the spokesperson explained.

The organization is gaining ground, the leaders also told reporters. In Quezon alone, Ka Roselda, Makibaka leader in Quezon, said they hold sway in at least 16 towns, 450 barrios and count some 10,000 members.

Ka Vicvic said the organization wants a coalition government to represent all forces in society. In particular, it is pressing for the full participation of women in government.

She said Makibaka is committed to the NDF agenda of genuine land reform, nationalist industrialization, the dismantling of U.S. bases, and the promotion of a scientific and mass-based culture.

In addition, however, Makibaka also calls for equality of women in all spheres of life. In the 13th point it added to the NDF's 12-point demands, Makibaka said all women should be involved in government functions. They must be allowed to own land and must not be discriminated against in their jobs.

Ka Rosenda, an NPA member and Makibaka regional spokesperson, said life in the hills is not easy. A mother of four, she said, she sees her children only once every 3 or 6 months.

But as a Makibaka statement said, "Even if this struggle has separated us from our children, homes and families, we look at the faces of our sons and daughters and we see hope in the future."

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CSO: 4200/272

EDITORIAL URGES GOVERNMENT ON MOUNTING GRIEVANCES

HK311350 Manila THE MANILA CHRONICLE in English 31 Dec 86 p 9

[Editorial: "Defusing Mounting Grievances"]

[Text] President Aquino's immediate move to defuse the political feud in Basilan is both commendable and timely. It is hoped, that the same quick response will be made to similar situations from hereon.

In the past, problem areas tended to be relegated to what the government perceived were the more pressing priorities of economic recovery and political stability. About 3 months now, the same attitude seems to have been given two concerns: the ratification of the new Charter and the negotiations with the rebels.

While it is true that the ratification of the Charter and absolute peace in the land would have greater implications then, let us say solving a bank robbery or a simple murder, the policy does not really call for such a trade-off. It is expected that even as the government concentrates on priorities, it should not postpone action on the problems of common criminality and lawless violence or on crimes against property.

The Basilan row cannot be dismissed as a simple case of lawless violence either. While it does fall within that category, it is more properly in the same dimension as other hitherto unsolved crimes such as the Escalante massacre, assassinations of the Cesar Climaco, Evelio Javier and Rolando Olalia, and the kidnappings of foreigners.

What prompted Mrs Aquino to act was the recent assault of armed Yakans against a police outpost and the burning of Isabela town in Basilan while armed Yakans besieged the town hall and engaged police and military authority in a running gunbattle. But those recent incidents were preceded by the murder of the vice-mayor of Tuburan, a town in Basilan, and of regional chairman Ulbert Tugung in Manila.

In other words, the Basilan situation had been seething for sometime; the recent violence merely brought to the surface the serious situation in that island province.

A similar perspective should be applied to other incidents. The Olalia murder, for instance, prompted the creation of several task forces or committees in an effort to bring to justice the perpetrators of the crime. But the investigation has dragged on in spite of optimistic leads. We can only surmise that the government's relationship with that sector of organized labor gravitating around the Kilusang Mayo Uno (KMU--1 May Movement) must have been affected by the lack of a sense of urgency on the double murder case. It is not amiss to add therefore that the KMU's growing disenchantment with the Aquino administration as shown in its decision to vote "no" on the draft Charter--and the seeming disregard of the government appeal to contain strikes or boycotts or welgang bayan (national strike) may have stemmed from the government's inaction on the Olalia case.

What we are suggesting is that the government cannot allow grievances deriving from common lawlessness to fester or rankle and become the basis of snowballing disgust with its performance. These so-called common grievances need the same prompt attention as that given to Basilan problem. Common grievances, especially taken within the context of the government's failure to bring to justice notorious criminals in the Armed Forces, may indeed accumulate and become the basis for total alienation. When that time comes, it may not even matter whether or not the Charter is ratified or the peace negotiations go on.

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CSO: 4200/274

MARCOS 'EXPECTS TO RETURN SOON' IN RADIO BROADCAST

Hits Truce, Charter

HK020418 Hong Kong AFP in English 0408 GMT 2 Jan 87

[Text] Batac, Philippines, 2 Jan (AFP)--Deposed President Ferdinand Marcos has brushed aside rumors of poor health, and says he expects to return "soon" to the Philippines from exile in Hawaii.

In a taped New Year's Day radio message, broadcast in his hometown here, Mr Marcos said he was praying "that I can come home as soon as possible," and that he was "ready to give up my life, fortune, and honor" to save the Philippines.

"I am in complete possession of my faculties," he added. "Don't believe any of these legends they fabricate about my poor health."

The broadcast came a day after Mr Marcos' late younger sister, Elizabeth Keon, was buried. Mrs Keon had served as governor of Ilocos Norte Province, which includes Batac.

President Corazon Aquino, who was swept to power in a civilian-military revolt that ended Mr Marcos' 20-year rule in February, had barred him from returning for the burial, sayi ; it might cause political instability.

In his broadcast, Mr Marcos said Mrs Aquino had "sold out to the communists" by negotiating with rebels to end an 18-year insurgency.

"I appeal to her to stop being childish," he said.

He also warned Filipinos against ratifying a draft constitution in a referendum to be held 2 February, saying it would only extend Mrs Aquino's unelected administration to 6 years.

Urges Stop To U.S. 'Interference'

HK020631 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 2 Jan 87

[Text] Former President Ferdinand Marcos called on Filipinos to stop U.S. interference in internal affairs such as his kidnapping and transport to Hawaii. At the same time, the former president warned against a communist takeover of the government. The former chief executive made the appeal in a radio broadcast from Hawaii. He described his transport to Hawaii as the result of American deception. As for the communist issue, the former leader stated that the communists will seize the government unless President Aquino stopped the communists from dictating on government policies.

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CSO: 4200/272

MARCOs LOYALISTS DEMONSTRATE OUTSIDE U.S. EMBASSY

HK040426 Hong Kong AFP in English 0424 GMT 4 Jan 87

[Text] Manila, 4 Jan (AFP)--Supporters of former President Ferdinand Marcos packed into 20 vehicles staged a brief protest outside the U.S. Embassy here Sunday to condemn a draft new Philippine constitution and to ask for the return of Mr Marcos.

The motorcade of several cars, mini-buses and a pick-up truck, festooned with balloons and anti-government banners, slowed down traffic on a busy highway when it parked outside the embassy for several minutes.

The Marcos loyalists, protesting against the draft constitution President Corazon Aquino is campaigning for, chanted "no, no" and waved their fingers in the "V-Sign," Mr Marcos' campaign symbol.

The draft charter, which has also been condemned by leftist insurgents and their sympathizers, would give constitutional legitimacy to Mrs Aquino's government and grant her a 6-year term as president. Filipinos will be asked to vote 2 February in a plebiscite on the proposed new constitution.

"U.S. President Ronald Reagan, please bring back our legal president, Ferdinand Edralin Marcos," one banner read.

Mr Marcos fled to Hawaii in February after being ousted in a popular revolt that installed Mrs Aquino in the presidency.

Other banners condemned the "charter, communism, colonialism" and advised Mrs Aquino to "count your hours" in the Presidential Palace.

The vehicles sped away without incident after a few minutes, with the exception of one jeep which broke down in front of the embassy and had to be left there.

/9599

CSO: 4200/274

ANTICRAFT BOARD PROBES GENERALS, MILITARY OFFICERS

NAFP Board Cites 51

HK230417 Manila Far East Broadcasting Company in English 2300 GMT 22 Dec 86

[Text] The Presidential Commission on Good Government [PCGG] said 51 ranking military officers, including many generals, are under investigation for alleged ill-gotten wealth. This was disclosed by PCGG Minister Jovito Salonga yesterday [22 December]. He said the cases are being investigated by the AFP [Armed Forces of the Philippines] Anti-Graft Board, headed by Brigadier General Manuel Flores. Those under the probe include Major Generals Vicente Piccio, Romeo Espino, Josephus Ramas, Prospero Olivas, Brigadier Generals Luther Custodio, Pacifico Lopez, and Rear Admiral Simeon Alejandro. Most of them held military positions during the Marcos government. Salonga said that the probe also includes some officials under the Aquino government who have been cited in complaints filed with the board and the PCGG.

General Protests PCGG Probe

HK241007 Manila Radio Veritas in Tagalog 0900 GMT 24 Dec 86

[Text] Brigadier General Pedro Balbanero pronounced his protests over PCGG [Presidential Commission on Good Government] investigation of his alleged ill-gotten wealth acquired during the Marcos regime. He returned his ranks, all his medals, and plaques. According to him, he hoped to clear the military's image with this gesture.

[Begin Balbanero recording, in English] A general must be honorable; that is why I returned the ranks. [passage indistinct] I am asking that I be investigated and not tried through vindictive publicity. Because I am already dishonored, I am returning all my medals and all my ranks. Since my name is already destroyed, I would like to show especially to my fellow soldiers that more than anything else, we soldiers value our honor, not the material things. That is why we are ready to die, we sacrifice our lives to defend our country and our countrymen. It is not for ourselves. We are not that selfish. Therefore, with the publicity now going on, it is only fair that I return all, and then start from the bottom. [end recording]

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CSO: 4200/259

CARDINAL SIN'S NEW YEAR'S MESSAGE

HK311205 Manila Radio Veritas in Tagalog 1000 GMT 31 Dec 86

[Text] His Eminence Jaime Cardinal Sin today called on the Filipino nation to preserve its solidarity to be able to carry out the impossible as it had in previous years. This was the content of his new year's message where he also said that the entire nation should further strengthen its brotherhood.

[Begin recording in English] Let us devote a few moments to the stirring events of 1986 so that we can better assess our prospects in 1987. In the year just ended, we did the impossible. We toppled the dictatorship without firing shots. We did it because we had faith and because we were backed at that stage with an outpouring of love for one another as we kept the prayers of vigil on EDSA [Epifanio de los Santos Avenue]. For the new year to be a truly happy one for all of us, we must be prepared to do the impossible once again. If we are to achieve national economic recovery and attain lasting peace, we must once again be ready to join hands and show unity, of singleness, of purpose. At EDSA last February we were one in our desire to regain our freedom and restore democracy in our land. Now that we have done so, let us be one again in keeping them. May God in his providence bless us and keep us throughout this coming year. [end recording]

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CSO: 4211/20

REACTION TO PAPAL LETTER ADVISING CLERGY AVOID POLITICS

Kunyang PACIFIC DEFENCE REPORTED in English Nov 86 pp 29, 30

[Article by Michael Richardson--Cadiz, Negros del Norte]

[Text]

SOMETIMES," says Father Arcio Dormido, assistant parish priest in the capital of Negros del Norte province in the central Philippines, "it is hard to reconcile Christianity with this." He has taken two reporters into a squatter area that lies between his imposing church and the seashore. There are about 300 families living here in crowded huts made of wood, tin sheeting, palm thatch and bamboo.

An average family has five children and earns a monthly income of between 150 and 400 pesos (\$US\$5.50 and \$US\$20). Life is a constant battle for survival. Many of the children are malnourished. Drinking water comes from a communal tap. Disease and illness are common, and usually treated by herbal cures.

Father Dormido is dressed in jeans and a yellow t-shirt, and wears a red golfer's cap to shade his face from the burning mid-afternoon sun. He shakes his head sadly. "I don't think this is the way God wants the Filipino people to live," he says.

Father Dormido, 28, took up his post in Cadiz last May. He is typical of many concerned young priests and nuns in the Philippines, where the Roman Catholic Church claims the allegiance of more than 80 per cent of the 55 million population. As in South America and many other parts of the Third World where Christianity has taken root in countries beset by poverty, inequality and injustice — the clergy in the Philippines is striving to make the teachings of the Church more relevant to the lives of the poor who form the overwhelming majority of its flock.

It is an issue that has caused deep divisions in the worldwide Catholic Church in recent years. At its heart are questions about how the Church should apply what Pope John Paul II has called its "preferential option for the poor"; about whether priests and nuns should ally

themselves to political movements advocating revolutionary changes to an unjust society through armed struggle; and about the extent to which Rome should control the teachings and actions of Catholic clergy in other countries.

In the Philippines, and elsewhere, Leftist exponents of the theology of liberation, or the theology of struggle, as it is sometimes known, argue that the duty of the Church is to side with those fighting to create a more equitable system.

However, the Pope, a staunch anti-Communist, has told the Philippine clergy — following the military revolt and popular uprising that toppled the regime of President Ferdinand E. Marcos last February — that they should avoid direct participation in politics and help heal the divisions plaguing the country. The pontiff's comments were contained in a letter to the Philippine bishops.

In it, he said he wanted to encourage the Philippine Church "at this moment of transition, marked by serious and complex problems" and that he understood its concern over social, economic and political problems. But he added: "The church is called not to take positions of a political character, or to take part in partisan conflicts, but to give society the expert contribution which is proper to it as the spiritual light and strength that can contribute to building and consolidating the human community".

Father Dormido says: "We do not talk about liberation theology here. The people would not understand and it would be branded as Communist ideology." He says he is trying to instil in his parishioners the idea that God wants the faithful not just to go to church, pray and avoid sin, but through self-help and other legal, peaceful means improve their living standards and change "the system of repression and control" that has held them in bondage for so long.

Father Jose Madre is about the same age as Father Dormido. He worked as a priest in a rural parish in the southern Philippines until September 1983 when he "took leave from the Church" and went to Manila. He says he did so to avoid being arrested by the military as a suspected supporter of the banned Communist Party of the Philippines and its guerrilla wing, the New People's Army.

He claims that soldiers and police in his parish acted as "agents of repression" against the poor and says his experience convinced him that armed revolution was the only way to bring about real change in the Philippines. Jose Madre is not his real name. He will not disclose his identity because he is a member of the national secretariat of CNL, Christians for National Liberation, an affiliate of the outlawed National Democratic Front, the NDF, which, security authorities say, is the Communists' main underground organization for rallying mass support.

In an interview in Manila with PDR, he said CNL stood for "national freedom and democracy, using all forms and tactics of struggle, armed and unarmed. It's really an organization that struggles for the total liberation of man and eradication of the three main problems of Philippine society — US imperialism, feudalism and bureaucratic capitalism."

Father Madre said that like the NDF, which claims to have at least a million members, CNL strives to "arise state power from the ruling class and establish a democratic system of government that caters for all sections of society, not just the elite." He said CNL drew together members of Protestant sects in the Philippines, as well as the dominant Catholic Church.

CNL, he said, had, as its clandestine members, more than 3000 of the 40,000-45,000 Christian clergy and lay workers in the country. Members were carefully screened before admission and their numbers were expanding "steadily but not dramatically".

"Ideological wolves" destroying the Church

IN A speech in July to a Catholic women's group, Defence Minister Juan Ponce Enrile warned that "ideological wolves, so to speak, are misleading, confounding and destroying the Church". He said there had been allegations that the Catholic Church in the Philippines had become "engrossed in the murky field of politics and ideologies". But Mr Enrile said this charge was too strong and, at times, exaggerated. "While it is true that there are a few religious groups who have flirted with the atheistic and materialistic Marxist ideology, a great majority of them have remained faithful to their sacramental role of shepherding their flock," he declared.

Felix B. Bautista, editor of the bi-weekly newspaper *Heras* and a spokesman for the Archbishop of Manila, Cardinal Jaime Sin, said that as far as he knew, no more than a dozen priests in the Philippines had been able to reconcile Communism with Catholicism and join the guerrillas. He said there were other priests in the hills who had been driven there by the repression of the Marcos regime. He believed that the latter could be brought back to the fold of the church because the Government of Corason C. Aquino had integrity and was committed to work for improvement in the lives of the poor.

John Carroll, an American Jesuit teaching at the Ateneo de Manila University, said that although CNL members represented only a small proportion of the religious hierarchy and lay workers, they were highly motivated, quite talented, well-organized and fairly well-funded from abroad. "So they have been able to project a disturbingly large image," he said.

In an "Instruction on Christian Freedom and Liberation" issued to the faithful in April, the Vatican sought to reconcile social action with orthodox Catholic theology by distinguishing the Christian message from both Marxism and capitalism. The document, which emphasized "spiritual" as distinct from "temporal" or "earthly" liberation, said that class warfare was neither acceptable nor inevitable. It spoke out against repression of the Right and the Left, arguing that for Christians, armed struggle should be only the "last resort" for those seeking to end "prolonged tyranny".

Cardinal Sin, the most senior member of the Catholic hierarchy in the Philippines, says he believes that the almost bloodless ousting of the Marcos regime by moderate forces in February has given people fresh hope for a better future and has done much to stem the growth of radical influence within the Church and society as a whole. He attributes the success of the February "revolution" to the "power of prayer" and says the Philippine Church's active role in helping to remove "the forces of evil" had a significant impact in changing the Vatican's attitude towards liberation theology.

However, the Pope, in his letter, said that the Philippine bishops should be instruments of reconciliation in their country. "You have the mission not to provoke or to deepen divisions, but to help in overcoming urgently and with decisiveness those that have been created or that at least have emerged among the population during recent events."

Mr Bautista says: "What the Church here believes is that the Philippines should be liberated from sin, rather than from unjust social structures, because it is sin that causes those unjust social structures. In other words, it is not class struggle and violent revolution that are needed, it is a change from within individ-

ends and, through them, the society. "That's why," he says, "Cardinal Sin talks of a revolution of the heart, of love."

Father Madre disagrees. "Before we can speak about justice for the people," he argues, "we have to liberate them from the sins of their social structure. It's a liberation that starts from the reality of our people — the reality of oppression and misery." Liberation theology, he explains, advocates that "God and the people should interact and unite to confront the problems of society. It's like God acting in man."

But Father Carroll says he believes that members of CNL have allowed "the Marxist vision, the people's struggle" to become "the dominant force and the faith its servant."

Father Madre points out that the Communist Party of the Philippines has pledged not to impose "a godless scientific atheism". He insists that the party will allow all forms of religion to prosper, provided they are not "reactionary". He adds: "If the Church remains true to our people, it can continue to flourish." ■

C50: 4200/260
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PHILIPPINES

MOTHER TERESA REJECTS CLERGY ROLE IN ARMED STRUGGLE

HK050805 Hong Kong AFP in English 0755 GMT 5 Jan 87

[Text] Cebu, Philippines, 5 Jan (AFP)--Mother Teresa, India's world-famous "living saint," has said priests and nuns should refrain from joining armed revolutionary movements.

Armed struggle is a "thing (that) does not fit with a priest or with a nun," the 76-year-old Nobel Peace Prize winner told a news conference in this central Philippines City Saturday, during which she inaugurated a house for the destitute.

Mother Teresa had been asked by a local journalist to comment on a statement by Rustico Tan, a Roman Catholic priest-turned rebel leader here, that guerilla priests found they were of more service to the people as members of the insurgent movement.

"Our mission is to give God's love and compassion to the people. We must love the people as Jesus has loved each one of us. We cannot judge. His (Mr Tan's) intention may be good but maybe his actions are in a different way."

Saying she could not judge members of the church who have taken to the hills, she nevertheless stressed: "But that thing does not fit with the priests or with the nuns."

Dozens of Filipino priests in this predominantly Roman Catholic nation of 56 million are known to have joined the New People's Army (NPA), the armed wing of the banned Communist Party of the Philippines.

Mr Tan represents the communist underground in a local committee monitoring the current 60-day nationwide ceasefire.

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CSO: 4200/274

BRIEFS

LOCAL ELECTION DATES--Political Affairs Minister Antonio Cuenco assured Rv Balita [Radio Veritas News] that Malacanang will announce the date for local elections next week. Cuenco said that the cabinet is carefully studying the possibility of holding simultaneous local and national elections. He stated that the announcement of dates for local elections will help boost ratification of the draft constitution. [Begin Cuenco recording in English] Yesterday, the cabinet agreed to discuss the issue again in next Wednesday's meeting, and, according to the president, we will have to arrive at a decision then. Specifically, laying aside the issue on whether the elections should be held simultaneously or separately, my point is that whatever decision we might make regarding the date of the elections, the announcement by the president fixing the date of local election is imperative at this time, before the 2 February plebiscite. [end recording] [Text] [Manila Radio Veritas in Tagalog 1000 GMT 8 Jan 87 HK] /8918

LUZON CEASEFIRE TALKS--Brigadier General Benjamin Cruz, Regional Unified Command 3 commander of the central Luzon Unified Command, invited his NDF counterpart, Manuel Valera Hizon of the NDF Central Luzon cease-fire committee, to discuss the formation of the provincial cease-fire committee. General Cruz hoped that Hizon would agree to the immediate implementation of the cease-fire agreement. As a member of the cease-fire committee, General Cruz has forwarded the names of his four-person committee to the National Cease-fire Committee, although the government and the NDF have yet to give their approval, in spite of his support of the cease-fire agreement. [as heard] [Text] [Manila Radio Veritas in Tagalog 0900 GMT 29 Dec 86 HK] /8918

MEDIA CONTROL, CONSTITUTION SUPPORTED--The head of the New People's Army in Northern Samar agrees that there be government control of the media, especially the broadcast media. In an interview, Eddie Sarmiento alias Ka [comrade] Anton of the NPA said it is only proper that the government control radio stations because some provincial stations broadcast news that are blunders for the peace negotiations between the government and the National Democratic Front (NDF). Sarmiento was chosen by the NDF to be on Samar's cease-fire committee. [Begin Sarmiento recording] The majority of the voters of Northern Samar expressed their affirmative vote for ratification of the new constitution. This is the report by Governor Justiniano Singson of Northern Samar. He said that due to the provisions in the constitution on health, human rights, and social services, the people of Samar will vote yes in the plebiscite on 2 February. [Text] [Quezon City Radyo ng Bayan in Tagalog 0900 GMT 6 Jan 87 HK] /8918

ANTICOMMUNISTS DENY PARAMILITARY UNIT--An anti-communist organization in Nueva Ecija denied communist accusations that there is a new paramilitary unit called Guardian Angel operating in Nueva Ecija and Aurora. Emilio Padrin, spokesman of the organization kabataan para sa Demokratiko rebolusyon (Kadre) [Youth Organization for Democratic Revolution] said that the paramilitary unit may possibly refer to the (?mobile) People's Militia (MPM) and not to the Guardian Angel. According to Padrin, the MPM is a group consisting of former rebels and it has regular meetings with the citizens of the barangays to make them realize the bad intentions to the communists. He also said that this activity by the MPM has been an obstacle to PA operations in NUEVA Ecija, thus the rebels are undermining the reputation of the MPM. [Text] [Quezon City Radyo ng Bayan in Tagalog 0900 GMT 6 Jan 87 HK] /8918

MUSLIMS DEMAND OFFICIALS' REMOVAL--Three separate Muslim rebel groups warned that trouble will erupt in Basilan if President Aquino does not remove Mrs Elnorita Tugung as chairwoman of the Region 9 Executive Council. The warning was issued by the Yakan tribes, the Moro National Liberation Front and the armed men of Salim Agpalim, former vice mayor of Tuburan. Jerry Salupalim, member of the MNLF Basilan due to the attack against Agpalim and four of his men in the marketplace of Isabela, Basilan. They suspect Mrs Tugung to have a hand in the crime. [Text] [Manila Radio Veritas in Tagalog 0900 GMT 1 Jan 87 HK] /8918

CSO: 4211/20

NEED TO END COAL THIEVERY, REESTABLISH ORDER IN COLLECTION

Hanoi NHAN DAN in Vietnamese 6 Nov 86 p 2

[Article by Tran Kham: "Reestablish Order in Coal Collection at Ha Lam"]

[Text] In the Quang Ninh coal region, besides the coal mines with large reserves of coal that are now being worked, there are also hundreds of small, open-seam mines located here and there throughout the area from Mao Khe to Mong Duong-Khe Cham. Besides this, some of the coal is dropped and lost during transport, and coal is left mixed with the overburden at the large waste fields of the Ha Tu, Deo Nai, and Coc 6 opencut mines and at the waste fields of the Cua Ong and Hon Gai sorting plants. Previously, open-seam mining and coal extraction was not organized on a widespread scale.

In recent years, to contribute to overcoming the difficulties in production and in the lives of the workers and civil servants in the coal sector and in the units and agencies in Quang Ninh, the state has given the mines permission to organize members of workers' families to collect coal that has been dropped in the overburden waste fields, along the roads and river banks, and in the flood plains in order to increase coal sources to support production and provide fuel for daily life. However, this must be controlled firmly. People must not be allowed to get coal from seams that are being mined or from the storehouses, fields, or sorting plants.

In implementing this policy, to date, almost 150 units from within and outside the coal sector and from within and outside Quang Ninh Province have organized things to extract and collect coal. During the period January 1985 to June 1986, almost 1 million tons of coal were collected. This is a large amount as compared with the amount of coal mined in a year in the country. Has an excessive amount of coal been dropped and lost? Or is some of this "lost coal" actually coal from mines that are being worked and from the storehouses and fields? In Quang Ninh alone, there are 2 state units, six cities and districts, and more than 5,000 laborers engaged in "collecting" coal. During the above period, they collected 285,000 tons, of which a portion was export coal.

Collecting coal has contributed to providing jobs for thousands of people and satisfied a number of specific requirements of the locality and coal collection units. But this work has not been controlled firmly, and there are negative aspects about this.

From Disorder in Mining....

Hon Gai city has established a coal mining guidance committee to provide general management. Things are organized and carried out by the subwards. The city has given the subwards yearly planned norms and established coal purchasing and sales stations, which are managed by the City External Commerce Corporation. In 1985, the city obtained 22,000 tons. In 1986, it is striving to obtain 50,000 tons, of which some is export coal. Most of this coal comes from the Ha Lam zone.

Today, around the Ha Lam coal mine, an underground mine subordinate to the Hon Gai Coal Corporation, there are dozens of coal mining points in small seams, exposed seams, and waste fields that are being worked by subwards, cooperatives, and individuals. At the 10B seam, which is located along the administrative boundary and which is managed by the Ha Lam mine, there are almost 10 open-seam mining points.

Along with the cooperatives of the subwards and agencies that have been given permission to extract coal, there are cases in which people have obtained coal without submitting to the control of the agencies responsible. A number of people have misrepresented themselves as people who are obtaining coal for the subward, but in reality they are profiteers. Each "profiteer" hires about 7-15 people and "digs" for coal. The coal that is extracted is sold to the subward or coal purchasing points of the city. After paying the men their wages, each profiteer makes a profit of 5-6,000 dong a day.

What is sad is that in Zone 52, a number of people have cut down many beautiful pine trees that had a diameter of 16-18 millimeters in order to obtain timber to shore up galleries to mine coal. At a number of open-seam mining points, because people have extracted coal using a variety of techniques, they have not done things in accord with the mining regulations. An entire area has been dug up. Not only has this created difficulties for controlling the mining techniques of the large mines, but this has led to many labor accidents. A number of people have died when the mines have caved in. During the past 2-3 months, there have been two accidents in which people have died.

The haphazard extraction of coal has led to many negative phenomena. A number of people in this zone have obtained mining survey data and so they know the technical characteristics of each small coal seam. They have given this information to the profiteers and taken people to obtain coal. They can earn a rather high income just by giving such "directions." People are competing with each other for seams that are easy to work. This has affected the security and order of the zone.

Besides the coal purchase points organized by the subwards and city, many people have begun trading in coal illegally, and there are many "collection bosses." They set prices arbitrarily and put pressure on people to sell the coal to them. These trading points have become assistance points that have enabled a number of people, including a number of mine workers, to steal state coal and sell it for their own profit. These are the "leaders" who obtain coal from thousands of "subordinates" and who constantly watch for loopholes in management in order to exploit the state's coal sources.

Comrades at the Ho Lam mine economic protection office said that at the beginning of October 1986, the mine discovered the following cases: During the first shift on 2 October, Doan Van Tut, who was assigned to the Ha Lam Subward coal mining team, was caught red-handed at worksite No 87 with 4 tons of lump coal, an export coal of high economic value. During the first shift on 3 October, Tran Van Thao pretended to be obtaining coal for Ha Khanh Subward, but in reality he was doing this on his own. He had stolen lump coal from worksite No 61. At the worksite 87 junction, for personal profit, a driver attached to the mine sold a load of coal to a "collection boss." During the second shift on 3 October, Nguyen Van Quang and Vu Van La, two coal watchmen at worksite No 88, stole ten tons of lump coal and sold it for 9,000 dong.

At 0700 hours on 21 October at the Ha Lam bus stop, a number of people were waiting for the bus to Hon Gai. They were carrying 23 bags of coal (each bag contained 25-30 kg of coal), which they planned to sell to the coal purchasing station in the city. Also at the bus stop was a woman who purchased the coal of those who could not go into the city. She paid them a lower price. When asked, she said that she had purchased the coal for cooking purposes. But the people there said that she could not possibly use 120-150 kg of lump coal a day for cooking. Actually, she was a "collection boss" who traded in coal for personal profit. We asked the woman where she had "collected" her coal. She became confused and said that she had been collecting the coal since 0200 hours. But she could not possibly have gathered such large lumps of coal and such a large quantity during the night. Three miners standing near us who were waiting for the bus said that people like her usually go into the coal grounds of the mine or into the mine on the coal cars in order to obtain coal illegally.

When we arrived at the worksite, we met a number of workers preparing for the production shift. When we repeated the above story, many of them said harshly: "Miners have to work very hard. We have to work hard the entire shift mining coal, but we do not earn as much as those who steal coal. This doesn't make sense. It is unacceptable!"

The miners also said that in this zone, when the profiteers and "collection bosses" make a lot of money, they squander their money on various amusements. They disrupt order in the subwards and quarters, and this displeases the laboring people. Even a number of cadres of the Ha Lam Subward Peoples Committee are corrupt and wasteful.

What Can Be Done To Restore Order?

At a number of places in the Quang Ninh mining region, open-seam mining and coal collection activities are being carried on in a very disorderly manner. People are stealing a valuable national resource.

Correcting this requires the efforts of the production installations, the sectors concerned, particularly the coal sector, and Quang Ninh Province. Synchronized and effective measures must be implemented to protect this resource and socialist asset, that is, coal.

The Ministry of Mines and Coal, which is responsible for managing this sector, must, together with the sectors and units outside the coal sector, Quang Ninh, and the other localities that send people to gather coal, issue unified regulations on discipline when working the small mines, open-seams, and waste fields and when gathering waste coal and flood plain coal. The various sources of coal must be managed in a unified manner, and the coal must be distributed based on the state's yearly plans. State agencies are responsible for managing, purchasing and supplying coal, issuing coal circulation permits, and putting a stop to the situation in which people trade in coal at their own convenience and coal flows everywhere.

The state must implement suitable measures to stimulate the units working in the various coal mining zones, especially those working at waste fields containing a quantity of coal that has been accumulated over the years. If the coal is not extracted from these waste fields, it will be covered over.

The coal sector should consolidate the raw-coal sorting plants so that the mines can gradually reduce the number of laborers who gather coal. After that, the installations must gradually move toward ceasing coal sorting and coal gathering activities at the mines.

When working open seams or mining raw coal, the coal must be sorted and classified for domestic consumption or export. Separate elements should be established to obtain coal from the waste fields. These can be under the guidance of the mines or they can carry on operations jointly with the mines. If things are done this way, the directors of the coal mines will be able to concentrate on guiding mining operations.

Order must be reestablished in mining open seams and gathering dropped coal in the Quang Ninh coal region.

11943

CSO: 4209/176

NHAN DAN DENOUNCES U.S. INTERFERENCE IN CHAD

OWO40745 Hanoi VNA in English 0713 GMT 4 Jan 87

[Text] Hanoi VNA 4 January--"The correct solution to the conflict in Chad must be based on the respect for the Chadian people's right to self-determination without interference from outside and an immediate end to intervention by imperialism in this country," says NHAN DAN today.

Commenting on the strained situation in this northern African country at present, the paper says: "The fierce armed conflict in Chad at present results from the blatant intervention by imperialism in the country. The imperialist forces have paid lip-service to the restoration of peace and stability in Chad while seeking to increase their military and political presence in this country. At present, 450 U.S. military advisors together with a big quantity of war means including hundreds of missiles and tanks have been dispatched to Chad to back the Habre administration and even directly engage in the conflict. Of late, U.S. President Reagan has signed a decision to send 15 million U.S. dollars worth of weapons as aid to the Habre forces."

NHAN DAN goes on: "Washington schemes to turn Chad into a springboard to threaten and attack Libya and other countries in the region, which are struggling to extricate themselves from the bandwagon of U.S. neo-colonialism, with a view to realizing its hegemonistic policy in Africa and the Middle East. Realities have shown that imperialism's activities are jeopardizing peace, security and stability in Chad and crudely interfering in the internal affairs of the Chadian people. These deeds are opposed to the resolutions of the OAU summits and run counter to the earnest desire of the peoples in Chad and Africa as a whole for resolving the Chad issue by peaceful means."

NHAN DAN expresses the Vietnamese people's deep concern over the prolonged tense situation in Chad. "We sternly condemn the intervention by imperialism in Chad and demand that the current conflict in this country be settled by the Chadian people themselves," it says.

"The Vietnamese people firmly support all efforts to solve the Chad issue through peaceful negotiations in conformity with the Chadian people's aspirations and the endeavours of the OAU relating to this issue," NHAN DAN says in conclusion.

PRC CONTINUES ARMED ATTACKS IN VI XUYEN

OW081600 Hanoi VNA in English 1552 GMT 8 Jan 87

[Text] Hanoi VNA 8 January--From early morning to dusk on 7 January, Chinese forces fired more than 60,000 artillery and mortar rounds and sent an infantry division to mount a dozen ground assaults on the sector of hills 233, 685, 1,000 and 1,509 and Pa Han area in the northern part of Vi Xuyen District in Vietnam's border province of Ha Tuyen.

This was the single heaviest shelling in one day by Chinese forces on Vietnamese soil in recent years. At some places, the shells fell as far as 18 kilometres inside Vietnam and only two kilometres north of Ha Giang Town.

The people and armed forces of Vi Xuyen put up a courageous fight, breaking all assaults of the enemy and firmly defending their positions. According to initial reports, they decimated three Chinese regiments, putting out of action nearly 900 troops, blew up an ammunition dump and destroyed or seized an important quantity of weapons.

Earlier, on 6 January, taking advantage of a dense fog, a Chinese company secretly closed in on the southwestern part of hill 685, but they were intercepted and surrounded, losing nearly 100 men.

Thus, in three days from 5-7 January, the people and armed forces of Vi Xuyen killed, wounded or captured nearly 1,500 aggressors, decimated 5 regiments, blew up ten bunkers, set on fire two ammunition dumps and a row of barracks, and seized or destroyed a large quantity of weapons and other war means.

/12858

CSO: 4200/267

SOVIET PARTY HOLDS FORUM ON COOPERATION WITH SRV

OW061809 Hanoi VNA in English 1541 GMT 6 Jan 87

[Text] Hanoi VNA 6 January--The Central Committee of the Communist Party of the Soviet Union held a conference on 6 January to discuss measures to further strengthen Soviet-Vietnamese cooperation and heighten its efficiency.

Yegor Ligachev, political bureau member and secretary of the party CC, addressed the meeting. The participants including well-known Soviet party and state activists noted that in recent years, the Soviet-Vietnamese relationship built on the basis of Marxism-Leninism and socialist internationalism, and reinforced by the treaty of friendship and cooperation, has fruitfully developed.

The conference pointed out that based on the resolutions of the 27th Soviet party congress, on party General Secretary Mikhail Gorbachev's speeches which stressed the importance of the Soviet Union's relations with other countries in the socialist community, and on the agreements reached at the Soviet-Vietnamese summits, the Soviet party, state offices and mass organizations will continue to pay adequate attention to broadening and consolidating their cooperation with Vietnam in all domains, political, social, economic, ideological, scientific and technological.

The conference took a close look at the cooperation between the two countries in the economic, commercial, scientific and technical fields. It expressed satisfaction with what has been achieved and the increasing scope of cooperation. The new stages of development in each country demanded creative revision and renovation of the approaches to the mature issues.

Regarding the implementation of the long-term program for economic, scientific and technical cooperation between the two countries, the conference urged the ministries and general departments to improve the operation of enterprises already built or being built in Vietnam with Soviet technical assistance, and to effect tighter control over the implementation of the agreements undertaken by the Soviet side. The conference pointed to the need of applying more actively new advanced forms of cooperation and widen the mode of cooperation and specialization of production, establish direct relations between production enterprises and scientific organs of the two countries.

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CSO: 4200/267

CAMBODIAN LEADERS CONGRATULATED ON NATIONAL DAY

OWO61812 Hanoi VNA in English 1553 CMT 6 Jan 87

[Text] Hanoi VNA 6 January--Vietnamese leaders today extended warmest greetings to their Kampuchean counterparts on the Eighth National Day of the People's Republic of Kampuchea (7 January).

The congratulatory message, jointly signed by CPV General Secretary Nguyen Van Linh, President of the State Council Truong Chinh, Chairman of the Council on Ministers Pham Van Dong, and Chairman of the National Assembly Nguyen Huu Tho, was addressed to Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea and president of the state council; Chea Sim, chairman of the national assembly; and Hun Sen, chairman of the council of ministers.

It says: "Over the past eight years, under the correct and clear-sighted leadership of the People's Revolutionary Party of Kampuchea headed by esteemed Comrade General Secretary Heng Samrin, the heroic Kampuchean people have closely united around the party, overcome untold difficulties and trials, and recorded great and comprehensive achievements in national development. Following the resounding victories in the 1984-85 dry season, their important victories in 1986 have foiled schemes against the Kampuchean revolution and further disintegrated the Khmer reactionary forces nurtured by imperialism and other reactionary forces. The achievements obtained in the defence of security and in the political, economic, cultural and social fields have affirmed the vigorous growth of the Kampuchean revolutionary forces in building the country and safeguarding the revolutionary gains. By pursuing a foreign policy of peace, friendship and cooperation, the People's Republic of Kampuchea has constantly raised its prestige in the international arena."

The message goes on: "Loyal to the Vietnam-Kampuchea Treaty of Friendship and Cooperation signed in February 1979 and the commitments of the Indochinese Summit held in February 1983, the Vietnamese people, in the light of the resolution of the 6th Party Congress, are resolved to fulfil their internationalist duties and foster the special militant solidarity, friendly ties, and comprehensive cooperation between Vietnam and Kampuchea as well as between Vietnam, Kampuchea and Laos in the interests of each country's revolutionary cause, thus enabling the three Indochinese countries to bring into full play their active role in the struggle for peace and stability in Southeast Asia and the rest of the world."

Also on this occasion, Foreign Minister Nguyen Co Thach has sent a message of greetings to his Kampuchean counterpart, Kong Korm.

NHAN DAN SUPPORTS PALESTINIAN STRUGGLE

OW311237 Hanoi VNA in English 0734 GMT 31 Dec 86

[Text] Hanoi VNA 31 December—"The Vietnamese people fully support the Palestinian people's struggle for their legitimate national rights, including the right to set up a state of Palestine in their homeland," NHAN DAN says in a commentary today marking the 22nd Revolutionary Day of Palestine (1 January).

The paper says: "Over the past 22 years, the Palestinian people have recorded important victories in their long struggle full of hardships and sacrifices against the perfidious schemes and moves by the U.S. and Israel. The Palestinian people's just cause, with warm approval and support from all progressive forces in Arab countries and in the world as a whole, has been developed and it has helped the Palestinian resistance movement whose representative is the PLO hold a worthy place in the Middle East, the Non-Aligned Movement and the world." [sentence as received]

The paper goes on: "The U.S. imperialists and Israeli expansionists have long considered the Palestinian resistance force the main obstacle to their scheme of aggression against the Middle East. In Washington's counter-revolutionary global strategy, the Middle East is regarded as one of its main targets of subjugation."

"More serious still," the paper goes on, "Washington and Tel Aviv are seeking to undermine the trend of dialogue and peace in the Middle East, they are resorting to all means to relieve the Palestinian people of the right to self-determination and the right to set up an independent state. At the recent 41st UN session, the U.S. and Israel once again voted against the UN General Assembly's resolutions on the inalienable rights of Palestine."

"The equitable and durable solution to the Middle East issue is to convene an international conference on the Middle East with the participation of all concerned parties, the PLO included, as proposed time and again by the Soviet Union. Such a proposal has been welcomed and backed by many countries in the region and the world as a whole. This imperative and realistic demand conforms to the present common trend toward resolving regional disputes by peaceful means. Those who run counter to that trend are doomed to failure," the paper says.

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CSO: 4200/267

HANOI MEETING COMMEMORATES PLO ANNIVERSARY

OW311824 Hanoi VNA in English 1501 GMT 31 Dec 86

[Text] Hanoi VNA 31 December--A mass meeting was held here today to mark the 22nd Revolutionary Day of Palestine (1 January).

After the opening speech by Prof Pham Khac Quang, president of the Committee for Solidarity and Friendship with the Palestinian People, Doan Tran Canh, member of the Presidium of the Vietnam AAPSO Committee, delivered a speech praising the persistent struggle of the Palestinian people under the leadership of the Palestine Liberation Organization (PLO) over the past 22 years for the right to self-determination and the right to return to their homeland and to set up an independent state.

Voicing strong support for and close solidarity with the Palestinian people, Doan Tran Canh stressed: "The Vietnamese people condemn the criminal acts of the United States and Israel and demand that they stop immediately their criminal acts against the Palestinian and other Arab people in their struggle to restore the territory illegally occupied by the Israeli aggressors. The Vietnamese people firmly believe that the Palestinian people will overcome all difficulties foiling all dark schemes and acts of the enemy and gain final victory."

The representatives of the PLO in Vietnam, Said Khalil al Masri, took the floor, highlighting the Palestinian people's determination to fight to the end to defend their sacred rights and expressing thanks for the Vietnamese people's unswerving solidarity and support.

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CSO: 4200/267

HANOI MEETING MARKS ANC FOUNDING ANNIVERSARY

OWO81928 Hanoi VNA in English 1556 GMT 8 Jan 87

[Text] Hanoi VNA 8 January--A mass meeting was held here today to mark the 75th founding anniversary of the African National Congress (ANC) (8 January).

The meeting, jointly sponsored by the Vietnam Committee for Solidarity and Friendship With Other Peoples (VCSFOP), and the Vietnam Peace Committee (VPC), was attended by, among others, Trinh Ngoc Thai, deputy head of the International Department of the Party Central Committee, Tran Lam, member of the Presidium of the VCSFOP, To Hoai, vice-president of the Vietnam APPSO Committee and Phan Huy Thong, member of the Presidium of the VPC.

Addressing the audience, To Hoai said: "The founding of the ANC marked a historic turning-point in the struggle of the African peoples, especially the South African people. Over the past 75 years, the ANC has not ceased to grow and has involved more and more adherents. Through the severest trials, it has affirmed its leading role as the authentic and sole representative of the African peoples."

To Hoai also voiced the Vietnamese people's total support for the just struggle of the South African people in their struggles for a democratic and unified South Africa without racial discrimination. The Vietnamese people demand that the South African regime put an immediate end to its terrorist policy and acts and set free immediately Nelson Mandela and all other African patriots it still detains as well as put an end to its hostile acts against Angola, Mozambique and other frontline states in southern Africa.

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CSO: 4200/267

SOUTHEAST ASIA 'WOMEN, SCIENCE' SEMINAR OPENS

OW081924 Hanoi VNA in English 1537 GMT 8 Jan 87

[Text] Hanoi VNA 8 January--A "Southeast Asian Seminar on Women and Science in Developing Countries" opened here today.

The seminar is sponsored by the Vietnam Women's Union with the assistance of the Sofia Kovalevskaja Fund.

It is attended by women scientists from several Southeast Asian countries including Laos, Kampuchea, Thailand, the Philippines, as well as from the Soviet Union, the United States, Cuba, Mongolia and Algeria. Representatives of the Economic and Social Commission for Asia and the Pacific (ESCAP) and the United Nations Children's Fund (UNICEF) also attended.

In her opening speech, Mrs Nguyen Thi Dinh, president of the Vietnam Women's Union, expressed the hope that this seminar "will mark a new step forward furthering our relations of friendship and cooperation, furthering the exchange of experiences and mutual learning among women, thus contributing to the common cause of peace, development and happiness of all women and children".

Dr Ann Hibner Hoblitz, director of the Sofia Kovalevskaja Fund, in her speech said:

"When we proposed the idea of such a conference to the Vietnam Women's Union, we noted that it was particularly appropriate to hold the meeting in Vietnam. From the rebellion against foreign domination led by the Trung sisters two thousand years ago, to the participation of General Nguyen Thi Dinh and numerous other women in the recent struggle against American aggression, Vietnamese women have given their compatriots models of courage, independence, and leadership."

"Now, too, in the struggle for economic recovery and scientific development, Vietnamese women scientists, physicians, and technicians are playing an active role. I look forward to hearing about the successes-and obstacles to success-of Vietnamese women as well as those of the women of other countries represented here."

The seminar will last till 10 January.

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CSO: 4200/267

BRIEFS

NGUYEN VAN LINH GREETINGS--Hanoi, VNA 2 January--The newly-elected general secretary of the Communist Party of Vietnam Central Committee, Nguyen Van Linh, has received more congratulations from abroad. They were from Louis Van Geyt, president of the Communist Party of Belgium; the Political Bureau of the Kommunistiska Partiet Marxist-Leninisterna (Revolution) of Sweden; Ali Salem al-Biedh [name as received], general secretary of the Yemen Socialist Party; R. Andriamanjato and G. Rabesahala, leaders of the Madagascar Independence Congress Party; and Lionel Jospin, secretary general of the Socialist Party of France. [Text] [Hanoi VNA in English 0719 GMT 2 Jan 86 OW] /12858

SRV-CUBA FRIENDSHIP GROUP--Hanoi, VNA 2 January--The first sub-branch of the Vietnam-Cuba Friendship Association was founded in the College of Agriculture and Forestry of Ho Chi Minh City on 31 December 1986. The founding ceremony was held in the college in the presence of Cuban Consul General to the city Aricel Hernandez Reyes. [Text] [Hanoi VNA in English 1518 GMT 2 Jan 87 OW] /12858

CAMBODIAN UNITED FRONT DELEGATION--Hanoi, VNA 2 January--A delegation of the Kampuchean United Front for National Construction and Defence led by Vice-President Men Chhan has paid a nine-day visit to Vietnam as guests of the Vietnam Fatherland Front Central Committee. While in Vietnam the Kampuchean guests paid tribute to President Ho Chi Minh at his mausoleum and visited his home and office. They had working sessions with senior officials of the Vietnam Fatherland Front including President Huynh Tan Phat. They also had working visits to Hanoi, Haiphong and Ha Nam Ninh Province. The guests were also received by Vu Oanh, secretary of the Central Committee of the Communist Party of Vietnam. [Text] [Hanoi VNA in English 1523 GMT 2 Jan 87 OW] /12858

LEADERS GREET BURMESE COUNTERPARTS--Hanoi, VNA 3 January--State Council President Truong Chinh and Chairman of the Council of Ministers Pham Van Dong today extended greetings to their Burmese counterparts on the occasion of Burma's National Day (4 January). In his message to Prime Minister U Maung Maung Kha, Chairman Pham Van Dong wrote: "May the friendship between the Socialist Republic of Vietnam and the Socialist Republic of the Union of Burma further consolidate and develop in the interest of the two peoples and peace, stability and prosperity in Southeast Asia." On this occasion, Minister for Foreign Affairs Nguyen Co Thach has cabled greetings to his Burmese counterpart, U Ye Guang. [Text] [Hanoi VNA in English 1517 GMT 3 Jan 87 BK] /12858

TRUONG CHINH RECEIVES LPDR AMBASSADOR--Hanoi, VNA 3 January--President of the State Council Truong Chinh received at the Presidential Palace here today Lao Ambassador to Vietnam Khamphoun Tounalom, who paid a farewell visit at the expiration of his term. In a cordial conversation President Truong Chinh highly appreciated the positive contributions of the Lao ambassador to strengthening the militant solidarity between the two countries. He expressed his joy at the constant development of the special friendship and all-around cooperation between Vietnam and Laos and between Vietnam, Laos and Kampuchea as a whole. [Text] [Hanoi VNA in English 1526 GMT 3 Jan 87 BK] /12858

PHAM VAN DONG GREETES DPRK PREMIER--Hanoi, VNA 5 January--Chairman of the Council of Ministers Pham Van Dong has sent congratulations to Yi Kun-mo on his appointment as premier of the Administration Council of the Democratic People's Republic of Korea. In his message, Chairman Pham Van Dong expressed his "wish for further consolidation and development of the friendship between the peoples of Vietnam and the DPRK." He also wished Premier Yi Kun-mo "success in his new noble mission". Foreign Minister Nguyen Co Thach has cabled his congratulations to Kim Yong-nam on his re-appointment as foreign minister of the DPRK. [Text] [Hanoi VNA in English 1540 GMT 5 Jan 87 OW] /12858

TRUONG CHINH GREETES DPRK LEADER--Hanoi, VNA 5 January--President of the State Council Truong Chinh has extended congratulations to Kim Il-song on his re-election as president of the Democratic People's Republic of Korea (DPRK). The message wishes the friendly relations between Vietnam and the DPRK "fine development and the DPRK people under the leadership of the Workers' Party of Korea, still more successes in national construction and struggle for national reunification". [Text] [Hanoi VNA in English 1538 GMT 5 Jan 87 OW] /12858

SRV AMBASSADOR SEES THAI PRIME MINISTER--Hanoi, VNA 6 January--Vietnamese Ambassador to Thailand Le Mai yesterday paid a courtesy visit to Thai Prime Minister Prem Tinsulanon. He conveyed to the Thai prime minister New Year greetings from Chairman of the Council of Ministers Pham Van Dong. Prime Minister Prem Tinsulanon acclaimed Chairman Pham Van Dong's views on further enhancement of the relations between Vietnam and Thailand and on the settlement of outstanding issues relating to the two countries through negotiations on the basis of equality, respect for and concern over each other's legitimate interests. Prime Minister Prem Tinsulanon asked the Vietnamese ambassador to convey his kind regards to Chairman Pham Van Dong. [Text] [Hanoi VNA in English 1612 GMT 6 Jan 87 OW] /12858

INDIAN FOREIGN MINISTER VISIT--Hanoi, VNA 6 January--At the invitation of Minister of Foreign Affairs Nguyen Co Thach, the minister of external affairs of the Republic of India, Narayan Datt Tiwari, will pay an official friendly visit to Vietnam in the near future, the Ministry of Foreign Affairs announces here today. [Text] [Hanoi VNA in English 1548 GMT 6 Jan 87 OW] /12858

CAMBODIAN NATIONAL DAY--Hanoi, VNA 6 January--Diversified activities have been arranged in Hanoi and other localities across the country in celebration of the 8th National Day of Kampuchea (7 January). Two more Vietnam-Kampuchea Friendship chapters have made first public appearance in Thach That District on Hanoi's western outskirts, bringing the total number of chapters of Vietnam-Kampuchea Friendship Association in Hanoi to 15. Friendly table-tennis, volleyball and badminton matches were held on 4 January at the Vietnam-Laos-Kampuchea Friendship Club in Hanoi with the participation of the three countries' teams. Days of Kampuchean films, exhibitions and talks on Kampuchea's land and people are being held in Hanoi in honour of this historical anniversary. Mass meetings have been organized in Ho Chi Minh City, Haiphong Port City, and many other localities to mark Kampuchea's National Day. [Text] [Hanoi VNA in English 1609 GMT 6 Jan 87 OW] /12858

SRV-LAO TOURIST SERVICE DELEGATIONS--Hanoi, VNA 6 January--A meeting between delegations of the tourist services of Laos and Vietnam was held in Vientiane, Laos, yesterday. The two sides, reports KPL, exchanged views on their tourism and on a plan of cooperation in this field for 1987 and the years to come. The Lao delegation was headed by Thongsing Thammavong, minister of culture, and the Vietnamese delegation by Tran Quoc Huong, head of the General Department of Tourism. [Text] [Hanoi VNA in English 0714 GMT 6 Jan 87 OW] /12858

PRK GEOLOGICAL TEAM RECEIVES ASSISTANCE--Hanoi, 6 January--Geological surveys and exploitation of subsoil resources has been gradually restored and developed in Kampuchea following liberation from the Pol Pot regime according to (71th) Prang, deputy minister of industry of the PRK. He said that immediately after liberation in 1979 the eight geologists who survived the genocide set up a geological and mining office which now becomes a department under the Ministry of Industry staffed by 15 geologists. The geological laboratory has been restored with material and technical assistance from Vietnam, the Ministry of Industry has formed a team of technicians to help in the drawing up of a prospectus for mineral exploitation in conformity with the decisions of the first conference of geology of the Indochinese countries held in Ho Chi Minh City in December 1984. The geology department is cooperating closely with its Vietnamese and Lao counterparts in carrying out two programs on geological and mineral research. It will promote mining operations in collaboration with Vietnam, Laos and other socialist and friendly countries on the basis of respect for each other's interests, national independence and sovereignty and in the spirit of mutual understanding. [Text] [Hanoi VNA in English 0721 GMT 6 Jan 87 OW] /12858

INDIAN OFFICIALS GREETED--Hanoi, VNA 6 January--Chairman of the Council of Ministers Pham Van Dong today sent best greetings to Prime Minister Rajiv Gandhi on the 15th anniversary of the establishment of the diplomatic relations at the ambassadorial level between Vietnam and India. His message reads: "The past 15 years have witnessed many important events marking the fine development of the friendship and multifaceted cooperation between the two countries, relations that were painstakingly built and fostered by President Ho Chi Minh and Prime Minister Jawaharlal Nehru. The India-Vietnam

friendship has become an exemplary symbol of the pure loyalty and played an important role in the common struggle for peace, national independence and freedom." "The promotion of the friendly ties and the multifaceted cooperation between our two countries is of strategic importance in our bilateral relations and has exerted a positive impact on the cause of peace in Asia and elsewhere in the world." The message wishes the Indian people prosperity, happiness and great success in their march toward the 21st century. It wishes for further development of the friendship and comprehensive cooperation between Vietnam and India. On this occasion, Vietnamese Foreign Minister Nguyen Co Thach extended his greetings to his Indian counterpart, Narayan Datt Tiwari. [Text] [Hanoi VNA in English 1549 GMT 6 Jan 87 OW] /12858

GREETINGS FROM FINLAND, SWEDEN--Hanoi, VNA 7 January--The newly-elected general secretary of the Communist Party of Vietnam Central Committee, Nguyen Van Linh, has received more congratulations from abroad. They were from Arvo Aalto, chairman of the Communist Party of Finland; Rolf Hagel, chairman of the Swedish Workers' Communist Party; and leaders of the Geneva-based General Surveillance Society S.A. [Text] [Hanoi VNA in English 0714 GMT 7 Jan 87 OW] /12858

CAMBODIAN NATIONAL DAY MARKED--Hanoi, VNA 7 January--A meeting was held in Ho Chi Minh City yesterday to mark the 8th anniversary of Kampuchea's liberation from the genocidal Pol Pot regime. The meeting, organized by the local fatherland front committee, the Committee for Solidarity and Friendship With Other Peoples and the chapter of the Vietnam-Kampuchea Friendship Association, was attended by a large number of Kampuchean students under training in the city. On this occasion, a photo exhibition entitled "Achievements of the PRK" with 170 colour and black-and-white photos has opened in the city. An artistic show has also been organized at the cultural house to mark the event. Many songs and dances highlighting the friendship and solidarity between Vietnam and Kampuchea were performed and received warm applause. [Text] [Hanoi VNA in English 1507 GMT 7 Jan 87 OW] /12858

CPV COMMENDS WORKERS, SOVIET EXPERTS--The Political Bureau of the CPV Central Committee has sent a letter to Vietnamese workers and Soviet experts at the construction site of the Tri An hydroelectric power plant, north of Ho Chi Minh City. The letter congratulated the recipients for their seething preparations for the damming of the Dong Nai River scheduled for 12 January 1987. These preparations and three other projects were completed on Tuesday [6 January]. All equipment and vehicles and 200,000 cubic meters of earth and rocks are ready for the damming of the Dong Nai River. The Tri An hydroelectric power plant is being built with Soviet assistance. It has a designed capacity of 440,000 kilowatts. [Text] [Hanoi International Service in English 1000 GMT 8 Jan 87 BK] /12858

SWEDISH COMMUNIST LEADER SUPPORTS INDOCHINA--Hanoi, VNA 8 January--"The three Indochinese countries have made tireless efforts to foil schemes and plots by imperialism and other international reaction in isolating and causing tension in the region," said Frank Baude, president of the Marxist-Leninist Communist Revolutionary Party of Sweden (KPMLR) at the Eighth Party Congress held from 2-4 January. In his political report, President Frank Baude expressed his joy at the results of the recent Sixth Congress of the Communist Party of Vietnam and affirmed the KPMLR's full support for the CPV's consistent foreign policy and its new economic orientations. He voiced deep sympathy with the Vietnamese people who are striving to overcome great difficulties in national construction and defence and struggling against dark schemes of the imperialists and other international reactionaries. On the Kampuchean situation, the KPMLR leader praised the great achievements recorded by the Kampuchean people in their national revival and development. He also hailed the Lao people in their struggle to foil Thailand's schemes of provocation, encroachment and causing tension in the region. [Text] [Hanoi VNA in English 0722 GMT 8 Jan 87 OW] /12858

CSO: 4200/267

VUNG TAU-CON DAO CONGRESS REVIEWS ACHIEVEMENTS, SHORTCOMINGS

Hanoi NHAN DAN in Vietnamese 24 Oct 86 pp 1, 4

[Unattributed report: "The Vung Tau-Con Dao Special Zone Party Organization Holds a Congress"]

[Text] The Vung Tau-con Dao Special Zone party organization held its second congress during the period 14-19 October. The congress was attended by 349 delegates, who represented the more than 3,300 party members in the party organization.

The congress affirmed the notable achievements scored during the past 5 years in conditions in which the zone had just been established, there were new and complex political tasks, and the general situation was very difficult. In providing services and supporting the work of conducting surveys and drilling for oil and gas, the special zone has satisfied most of the material and cultural needs of the cadres and Vietnamese and Soviet workers engaged in drilling for oil and gas. The party organization has given attention to educating people and maintaining the safety of the people and the material and technical base of the oil and gas project. The efforts of the special zone have contributed to stepping up the rate of progress of the oil and gas work. On the opening day of the congress, there was good news from out at sea: oil from the fatherland's first well flowed into the floating oil storage station of the Bach Ho well. The special zone tourist industry has expanded relatively quickly. In the 2 years since it was established, the industry has built a notable material and technical base. During the first 6 months of the year, it did more business than any other locality in the country. The marine products sector has given attention to expanding the fishing activities of the people. Every year, the Con Dao State Fishing Enterprise has fulfilled the fishing plan and delivered products to the state. Import-export activities and ship supply has expanded greatly. Because of having dynamic business formulas, regarding marine products as the leading types of goods, and expanding ties with neighboring localities and a number of central sectors, the value of exports and the amount of foreign currency earned has increased every year. In 1985, the value of exports was seven times that of 1981, second highest in the country. Industry and small industry and handicrafts have made progress and expanded. The value of gross production exceeded the plan by 14.5 percent. The commercial sector has striven to create a commodity fund from many different sources. The state and cooperative commercial networks have maintained trading

undiminished, administered 75 percent of the retail selling, and controlled a number of essential goods such as rice and pork. Budget receipts have increased yearly. Receipts and expenditures have been balanced, and money has been accumulated in order to build additional material bases. During the past 5 years, jobs have been created for 12,000 people, 9,000 square meters of housing have been built using capital on hand, and the general hospitals have been expanded, with more than 250 beds added.

Those attending the congress also pointed out the shortcomings in socioeconomic development and expansion. There has been a tendency to invest uniformly and emphasize quantity. Little attention has been given to intensive investments. In commercial production, productivity and quality have been low and results have been poor. In the marine products sector, catches have reached only 68.8 percent of capacity, and the volume of production of shrimp and salt has reached only 75 and 31.1 percent of capacity respectively. The quality of support for local tourism is low. At the agricultural and small industry and handicrafts installations, less than 50 percent of the capacity has been utilized. The crop growing area has doubled as compared with 1981, but only 50 percent of the existing area has been exploited. The use factor for farm land is just 1.2 times, and crop yields are low. Consumer goods and medicines in scarce supply are not managed well and distribution is poor. The quality of socialist transformation is poor. A number of installations have transformed only the forms, which has created loopholes that individuals can use to enrich themselves illegally. The administrative apparatus is cumbersome. Duties and tasks are not clear, and results have been limited. Bureaucratic centralism, authoritarianism, corruption, and bribery are widespread. As for the reasons for these shortcomings, the congress pointed out that the important reason was that there were shortcomings in building the party organization ideologically and organizationally.

With a thorough understanding of the party's new spirit and new economic viewpoints, during the debate, the delegates contributed many ideas to the proceedings of the central echelon and reviewed the economic leadership of the localities, concentrating on the problems of arranging the economic structure, improving production relationships, and changing the economic management mechanism. Many leadership echelons still have fixed ideas and have not given the proper amount of attention to expanding the family economy or the fishing activities of the people in order to aid the collective and state economies or to creating conditions to exploit the labor and arable land potential and the natural conditions. They have not given sufficient attention to finding ways to organize the laborers well, to expand handicrafts, the cultivation of vegetables, subsidiary food crops, and fruit trees, and animal husbandry, and to create jobs. The delegates criticized conservating thinking and slowness in changing the management mechanism, eliminating bureaucratic centralism and state subsidies, and shifting to economic accounting and socialist business.

The congress decided that in the coming 5 years, the No 1 task is to maintain services and ensure safety for conducting surveys and drilling for oil and gas. Measures were put forth to build the special zone and turn it into an industrial zone with an industrial-fishing-forestry economic structure that can fulfill the norms put forth for 1990: obtain 45,000 tons of marine

products per year (including 2,500 tons of shrimp, of which 2,000 tons is from state operations); use 2,000 hectares to raise marine products and produce 300 tons of shrimp for export; and process 3,300 tons of fish meal, 1.2 million liters of fish sauce, 1,000 tons of dried fish, and 165 tons of marine products for export. On the agricultural front, the target is to produce 9,400 tons of vegetables, 1,000 tons of pork, live weight, 192 tons of chicken, and 10,000 tons of salt. Industry and handicrafts must have a gross value of production of 148 million dong. Export services must be built in synchronization: a port and a system of storehouses (cool and clean zones) must be built, means of cargo handling and transportation must be provided, and cadres and workers must be trained to manage and operate things. The tourist services must be expanded promptly and uniformly. The congress decided to organize a quarterly Political Day to have those in positions of leadership listen to the ideas of the people.

The congress elected a new executive committee composed of 38 regular members. Of these, 18 are participating in the committee echelon for the first time and 21 have a master's or bachelor's degree. The average age of the members of the committee is 48.76. There are six alternate members. Le Quang Thanh was elected secretary of the special zone committee. The congress also elected a delegation to attend the party's Sixth National Congress.

11943

CSO: 4209/172

SOCIOECONOMIC GUIDELINES, TASKS FOR VUNG TAU-CON DAO REPORTED

Hanoi NHAN DAN in Vietnamese 24 Oct 86 pp 3, 4

[Party Building column: "Vung Tau-Con Dao Special Zone Socioeconomic Guidelines and Tasks"]

[Text] General Guidelines and Tasks

Efforts to build the special zone must continue in order to turn it into an industrial zone with an industrial-fishing-agricultural economic structure.

The local economy must be stabilized and expanded based on carrying out the No 1 task satisfactorily, which is to support services and maintain safety in surveying and drilling for oil and gas. The oil and gas industry, oil and gas services, tourism, and imports and exports must be expanded. Ships must be provided, initial sources of accumulation must be created in order to expand the economy, and the marine products sector, including fishing, pisciculture, and processing, must be maintained and expanded. Agro-forestry must be expanded, particularly the cultivation of vegetables and industrial crops and the rearing of pigs and chickens. The small industry and handicrafts professions must be expanded actively in order to create on-the-spot sources of food. Many consumer and export goods must be produced, and good support must be provided for the oil and gas industry. Marine products must be delivered to the central echelon, and the standard of living in the special zone must be maintained.

Investments must be made in accord with the guideline "obtain short and rear long, have key points, maintain the production structure, and manifest results wherever investments are made." Things must be arranged to generate accumulation and strengthen the material and technical base. Production must be considered to be the root. However, the positive effect of circulation and distribution on production must be manifested in order to expand production. Socialist transformation must continue, the quality of the new production relationships must be improved, and the production forces must be expanded. Transformation must be tied to market management, and the markets and prices must be gradually stabilized. Widespread use must be made of the scientific and technical advances in order to increase productivity, improve quality, and increase results in commercial production.

Along with stabilizing and expanding the economy, much attention must be given to building the new socialist man and to actively improving the contents, form, and system of education and training in order to create a new class of cultured and disciplined laborers who are loyal to the fatherland and to socialism and who have the technical skills and health necessary to work in an industrial special zone. Attention must also be given to the youths and children.

National defense and security must be solidified. An all-people national defense and people's security must be built. A line of defense must be built to defend the coast and islands.

Targets

1. To stabilize and expand production, satisfy the essential needs, and gradually stabilize and improve the standard of living.

Stabilizing and expanding production must be done based on reorganizing production, ensuring the independence of the primary level units in commercial production, exploiting the existing production capabilities, ensuring that each laborer has a job, launching a labor productivity emulation movement, and economizing as much as possible in order to raise productivity, improve quality, and increase results. Attention must be given to living conditions to ensure that people have enough food, clothes, and medicines. Travel must be convenient, and there must be enough classrooms to accommodate all children of school age and provide daytime or evening supplementary education classes for adults. The housing difficulties facing workers and civil servants must be reduced.

2. To create notable social changes in the special zone.

Jobs must be created for the laborers by expanding the service sector, piscicultural, agricultural, and small industry and handicrafts production, and the family economy. Technical cadres and workers must be selected and trained for the oil and gas, marine products, and capital construction sectors. Male and female youths must be sent to build Con Dao Ward. There must be social fairness in fulfilling the obligation to defend the fatherland, in performing socialist labor, and in carrying on distribution based on labor, and there must be equality before the law. The great differences in the standard of living of the various classes of people must be reduced by regulating the illegal incomes of those who grow rich by exploiting others. Wholesome social relationships must be built. Negative phenomena must be overcome, and moral values and revolutionary traditions must be maintained and exploited. The new socialist man must be built.

3. To generate accumulation from within the special zone economy.

Industry and services, particularly the import-export, tourist, and ship supply sectors must be expanded greatly. The sectors must soon create initial sources of capital. At the same time, production must be gradually stabilized, economic accounting and socialist business must be implemented, production expenses must be reduced, production must show a profit, and there must be

accumulation from the production activities of the state-operated economic production installations, with this regarded as the basic source of accumulation. Effective use must be made of the existing capital in order to strengthen the material and technical base for the economic sectors. Money must be invested in building essential social projects. In order to increase revenues quickly and accumulate foreign currency, the material base and services to serve foreign tourists must be strengthened. Central-echelon and local capital must be used well in order to improve the industrial power network, repair, upgrade, and expand the roads and the water supply and drainage system, and expand the information and liaison network to support the oil and gas industry and prepare for expanding the industry.

4. To continue socialist transformation and improve the quality of the production organizations based on the new relationships.

The state-operated production installations must be consolidated and their quality improved. The management system and system of distribution based on labor must gradually be perfected with respect to the collective economic elements. The quality of the production organizations must be improved based on the new relationships and in accord with each sector and production installation. Productivity must be raised, quality must be improved, and results must be increased. The incomes of the members of cooperatives and collectives must be increased, and much must be contributed to the state. In circulation and distribution, the small merchants must continue to be educated, mobilized, and organized using such forms as cooperatives, teams, stores, agents, and joint enterprises in order to use and control the small merchants. Those who engage in illegal activities and steal must be dealt with harshly. All forms of exploitation by storehouse operators in the marine products sector and by profiteers in the capital construction sector must be eliminated. Based on solidifying the national and cooperative economies, steps must be taken to ensure that the socialist economy plays a guiding role in the economy of the special zone. The capabilities of the other economic elements must be utilized fully in order to step up production and support life. A new management mechanism must be built. The principles of democratic centralism, economic accounting, and socialist business must be implemented, with planning at the center. The effects of the new management mechanism must be manifested, commercial production must be expanded, and order and discipline must be reestablished in socioeconomic management.

5. To satisfy the need to consolidate national defense and security.

The economy must be closely coordinated with national defense and vice versa. Steps must be taken to ensure that both continue to grow stronger. The needs of national defense and security concerning men, commodities, and means must be satisfied fully and promptly. When formulating plans to expand commercial production, the economic sectors must give attention to formulating plans to protect commercial production and to contribute to maintaining security and national defense. The armed forces, border troops, and public security forces must be ready to fight to defend the fatherland and protect the special zone, and they must actively help build the economy and participate in production in order to improve living conditions and contribute to producing products for society.

Socioeconomic Stabilization and Development Policies and Tasks

Services to support the oil and gas industry:

In line with the new expansion of oil and gas exploration and drilling, on the service front, the Special Zone People's Committee must coordinate things with the cadres and central sectors concerned in planning the service requirements to support the oil and gas industry in the special zone.

With the responsibilities of the locality, the special zone authorities must provide unified guidance for the central production installations and special zone sectors and echelons in order to ensure that the needs concerning food, housing, travel, education, medical treatment, and cultural life of the Soviet and Vietnamese cadres and workers subordinate to the Joint Vietnamese-Soviet Oil and Gas Enterprise and other construction units are met and to support oil and gas operations both on shore and at sea. The central echelon and localities must coordinate things to maintain the security of the people, property, equipment, and oil and gas projects in the special zone.

To carry out its border control function, the Special Zone People's Committee must promulgate decisions on housing projects, welfare projects, and the infrastructure and formulate regulations to control external matters. At the same time, the central echelon should promulgate a decision on protecting the environment with respect to the oil and gas projects and the means of transportation that operate in the rivers and along the coast of the country.

Marine products:

Things must continue to be consolidated and expanded based on the guideline of reorganizing production and stepping up intensive exploitation with respect to the state-operated production installations.

Marine products fishing operations must be consolidated, and quality must be improved, particularly for the export goods of the Con Dao State Fishing Enterprise. A suitable size for the production organizations must be determined based on management capabilities. Yields must be stabilized at 15,000 tons of marine products per year. Joint ventures must be organized in order to fulfill the production plans. Cadres must be employed, and capital and materials must be invested in accord with the position of the enterprises. Prices must be rational so that the production enterprises make a profit. The Con Dao Fishing Enterprise must be solidified and expanded. Joint ventures with the provinces and cities must be organized in order to exploit the production capabilities.

The rear service and service elements must be organized uniformly, and a fleet of ocean service ships must be constructed. Management must be improved, the product contract mechanism must be perfected, the number of fishing trips must be increased, and fuel must be saved. A fleet of boats to catch and transport shrimp, squid, and fish fins must be formed in order to improve the quality of the exports of the two state-operated fishing enterprises.

The fishing operations of the fishermen must be expanded greatly, repair services must be organized, new boats must be built, and fuel, wood, fishing implements, hydrants, and ice must be supplied for the marine products collectives based on the economic contracts. Fishing operations must be guided, the fishing sites must be changed depending on the season, and the purchasing of the fishermen's products must be organized well.

The rearing of marine products must be expanded (raising sea turtles, test raising oysters and mussels, and growing and processing seaweed including "yellow seaweed. One thousand hectares have been adjusted to carry on state-operated shrimp rearing activities using correct techniques, and 1,000 hectares of land has been allotted to the production collectives. The processing of marine products for export and consumption must be improved, and the processing of fish sauce, shrimp sauce, shrimp paste, fish meal, bouillon powder, and steamed fish must be expanded in order to exchange items with neighboring provinces and cities.

Agriculture, forestry, and water conservancy:

The land with agricultural potential must be utilized fully in order to grow vegetables and industrial crops such as cocos nucifera and raise pigs and chickens. Areas with saline soil must be used to produce salt. It is essential for the family and collective economies to grow vegetables and raise livestock. The state-operated economic production installations must produce and supply breeding hogs, industrial chickens, vegetable seed, high-yielding varieties of cocos nucifera, and animal feed and provide technical services to ensure animal husbandry. The rearing of pigs on contract must be expanded, and the animal husbandry corporations must start showing a profit.

Trees must be planted to cover the denuded hills and provide protective cover, and the environment must be protected. Trees must be planted along the coast in order to support tourism and obtain firewood. Afforestation must be carried on hand in hand with protecting the forests. This must be done in an active, concrete, and all-round manner. The Special Zone People's Committee has suggested that the Ministry of Forestry make plans to invest in building a national forest zone in Con Dao.

As for water conservancy, money must be invested in building the Bau Sen and Bau Trung zones in order to obtain water for irrigation and for raising fresh-water marine products. Policies must be formulated on extending credit so that the production collectives and families can borrow money to raise livestock and plant vegetables.

By 1990, agro-forestry production must strive to produce 9,400 tons of vegetables, 1,000 tons of pork on the hoof, 192 tons of chicken, and 10,000 tons of salt a year.

Industry and small industry and handicrafts:

Industry and small industry and handicrafts must be expanded by consolidating the existing state-operated production installations, expanding the oil and gas service industry, tourism, and exports and imports, supplying ships, and

providing services needed in daily life. Things must be reorganized and management must be improved. An effort must be made to stabilize and gradually expand production and exploit the existing capabilities of the enterprises that process fish meal, fish sauce, and animal feed and manufacture automobile repair machinery, furniture, building materials, printing equipment, and pharmaceuticals jointly. The state plans must be carried out well, and production must show a profit.

Money must be invested in expanding the essential service industry installations. For example, enterprises to process agricultural and marine products for export must be built, the machine repair enterprises must be equipped with additional tool-making machines, new fishing boats must be built, a cold storage plant with a capacity of 10 tons a day and a tobacco enterprise must be built, and the drinking water production enterprise must be expanded. Along with the national electricity network, the capacity of the Vung Tau power station and the Long Son and Con Dao Ward power stations must be maintained and expanded. The use of the 4.2 kilowatt power station of the Joint Vietnamese-Soviet Oil and Gas Enterprise must be coordinated, and the electricity distribution network must be improved based on the increased electricity capacity. The Ba Ria Water Works must be expanded, with capacity increased to 20,000 cubic meters per day. Active preparations must be made for building a project to supply fresh water from the Dong Nai River to Vung Tau.

The sectors must be expanded, and the production of consumer and export goods must be expanded. For example, marine products must be processed, and artware, embroidered articles, ready-made clothing, and wrappers for export must be produced. Studies must be done to develop processed goods for export and for state commerce and the services. The supplying of materials, raw materials, and energy to the small industry and handicrafts production installations in accord with the products must be organized well. At the same time, the state's policies must be used boldly to stimulate small industry and handicrafts. In particular, people with a high degree of skill and those in traditional occupations must be encouraged to produce many products of high quality. On the other hand, relatively stable sources of consumer products produced by small industry and handicrafts must be organized.

By 1990, the gross value of industry and small industry and handicrafts (excluding marine products) must reach 148 million dong (1982 prices).

Communications, transportation, and posts:

Means of transportation must be increased in order to increase commodity and passenger transport capabilities, particularly along the river routes. This must be done by increasing the number of trucks, buses, self-operated barges, passenger boats to Con Dao, and service boats that supply the ships. A number of roads in Vung Tau, particularly the principal roads, roads around Nui Lon and Nui Nho, and the road from the town of Con Dao to Ben Dam, must be repaired, upgraded, and expanded. Another 250-meter export port must be built, and a temporary port for passenger boats and cargo ships must be built at Ben Dam. A system of communications signals must be formed. Two-way transportation along the long routes must be coordinated in order to conserve fuel. By 1990, the targets are: commodity transport volume, 53,000 tons; volume of turnover,

30.6 million ton-kilometers; transport 1,830,000 passengers with a turnover of 120 million passenger-kilometers.

An automated telephone system with 5,000 numbers and three 100-number exchanges and an automatic 7/70 exchange must be built. A microwave station must be put into operation. Information and liaison with other provinces and cities and within the special zone must be maintained. The guidance given by the central echelon and special zone regarding economic and national defense matters must be adhered to. The microwave station must be managed well to support directing the ships at sea. The public telephone system must be gradually expanded. Postal matters and telegraph services must be improved. Book and newspaper publishing must be organized so that printed materials reach readers promptly.

Capital construction:

The general projects of the special zone must be completed, and capital construction management must be strengthened based on the projects. Capital must be concentrated on the key production projects of the service industries and marine products and agricultural sectors. In investing in new construction, emphasis must be placed on synchronizing the main projects with the infrastructural projects. Production techniques must be uniform. Doing a neat job, completing things quickly, and manifesting results must be stressed, particularly regarding shrimp rearing. Money must be invested in a number of essential cultural-social projects, such as building an additional 100 classrooms. The historical ruins and vestiges of the revolution in Con Dao Ward must be repaired and preserved based on the projects approved by the central echelon. In building day nurseries, kindergartens, and inter-subward public health stations, the following motto must be adhered to: the state, agencies, enterprises, and people working together. The sectors, localities, and production installations must be encouraged to contribute capital to build housing. The building sector must carry out things based on the plans and projects. When formulating capital construction plans, a balance must be maintained between financial capabilities and materials and building materials in order to avoid passivity.

Building sector management must be improved concerning designs, construction, and the production and supply of building materials. Frugality must be practiced in construction, and the quality of the projects must be ensured. The product contract mechanism must be used widely, and the state forces must be expanded quickly. The construction cooperatives must be improved and used well, and use must be made of private individuals with excellent skills and experience in producing building materials.

Tourism:

There must be a new change concerning the support capabilities and quality of the travel industry. Services concerning living quarters, bathing, entertainment, recreation, and visits to the sea, mountains, and islands must be expanded in a prompt and synchronized manner. The needs of domestic and foreign tourists must be satisfied. It is possible to participate in import-export activities, or foreign currency can be borrowed in order to

strengthen the material and technical base and provide additional means of support. Joint operations must be expanded with the provinces and cities in order to create sources of support goods, link the Vung Tau-Ho Chi Minh City-Dalat-Nha Trang-Hai Phong-Quang Ninh route, consolidate the routes to Con Dao, and make preparations to support tourists. Management quality and the standards of the cadres and employees in the travel industry must be raised. There must be close cooperation and a division of labor between the central and local travel corporations in providing travel services. Building and zoning travel zones must be coordinated. Scenic sites and cultural services must be built, occupations must be strengthened, and the new scientific and technical achievements must be applied in the travel service.

Exports and imports:

Exports and imports must be expanded based on obtaining export goods in the localities and carrying on production operations jointly with a number of provinces and cities in order to create additional sources of export goods. Management must be improved in order to improve the quality of export-import services. Financial and scientific and technical investments must be made in obtaining, rearing, and processing marine products in order to increase yields and raise the quality of export marine products. Investments must be concentrated on raising and catching shrimp and principal export products. The products processed from marine products and the additional products produced by the enterprises must be used to obtain export agro-forestry products.

The export-import sector is responsible for providing guidance, making investments, and creating conditions to stimulate the state-operated, collective, and family economic installations to participate enthusiastically in producing export goods, expanding the production of processed goods for export, and opening up another 1,000 hectares to raise shrimp using the strength of the collective and family economies. Investments must be made in the export-import services, and these services must be synchronized. This includes building a port, a system of storehouses (dry and cold storage), and means of cargo handling and transportation and training cadres and workers to manage and operate things.

Attention must be given to importing materials, raw materials, parts, and equipment to support production and produce processed goods for export. Consumer goods must be imported based on the percentages stipulated by the central echelon in order to convert and purchase export goods. Export-import organization must be perfected in the special zone based on unifying things in one center.

Ship supply activities must be consolidated and accelerated, the management and investment apparatus must be perfected, and the supply of materials must be increased in order to expand ship supply services at the port and at Buoy Zero and to support the seamen when they come ashore. Ship supply services must be turned into a notable source of foreign currency for the special zone by expanding the amount of ship repair machinery and investing in equipment in order to advance gradually to providing a number of minor repair services for foreign ships that dock at Buoy Zero and Vung Tau Port.

Circulation and distribution:

The quality of state commerce must be improved with respect to viewpoints, thinking, organization, and management. At the same time, the management of the cooperatives must be solidified, and organizational and professional standards must be raised in accord with socialist business formulas in order to control the markets and support production, services, and life in the special zone. The socialist commercial network must be arranged rationally, and marketing must be made convenient for the people. Stores that sell machinery, materials, parts, tools, and fishing equipment to support production must be organized. The retail stores must be reorganized in accord with the population centers, and a network of specialized stores must be formed to serve the oil and gas cadres and workers. The sources of goods must be organized and maintained undiminished. Distribution must be fair and efficient. There must be a positive effect on production in order to maintain goods undiminished. Through economic contracts, money and materials must be advanced on schedule, especially for growing vegetables and raising hogs. The products processed from marine products must be purchased in order to give them to the provinces and cities in exchange for industrial and agricultural goods to support living conditions in the special zone. A balance must gradually be established between supply and demand, and the balance between goods and money must be maintained.

The commercial independence of the corporations must be ensured, and additional sources of goods to support production and life must be created.

The guiding role of state commerce must be manifested in the struggle to control the markets, and socialist transformation must be tied to market management. Speculators, smugglers, those who disrupt the economy, and those who steal state goods and sell them to the free markets must be punished severely. Socialist commerce must take charge of almost all wholesale trading and the bulk of retail sales and control markets and prices. The state has exclusive commercial rights to the grain, strategic materials, and essential goods in the special zone.

Through signing economic contracts with the production units, the organizations that supply materials must ensure that they supply adequate quantities of good quality goods and that the goods are sent to the right places on time. In order to exploit the effect of the economic contracts, a system of bonuses and fines must be implemented based on the results in fulfilling the contracts. In the country's present difficult situation, joint ventures must be organized to produce materials and raw materials in order to achieve a greater balance in the production plans of the production installations and set aside a quantity of materials and building materials for retail sale to the people. The grain sector must strive to provide enough rice for the people, improve the quality of the rice based on quantitative standards, and control the prices of all types of rice.

Market management must be strengthened. The commercial production and distribution and circulation installations must not be allowed to raise prices arbitrarily or compete in buying and selling items. Speculators who raise prices and disrupt the markets must be dealt with resolutely.

Socialist transformation must continue to be promoted, and the quality of the new production relationships must be improved.

For the state economic installations, the key thing is to improve the quality of management and expand the production forces. The management apparatus must be rearranged and improved, and the ranks of cadres must be used correctly (including both management cadres and scientific and technical cadres). Innovations must be made in planning, and economic accounting and socialist commerce must be developed. The supply of materials must be increased, and the activist role of the state economic bases must be manifested in the special zone's economic sectors.

The collective economy must be gradually expanded and improved concerning ownership standards. Commercial production must be organized and managed, and distribution must be based on labor. The agricultural production collectives whose means of production and ownership rights have already been collectivized must be eliminated. The marine products, building, communications and transportation, and small industry and handicrafts sectors must gradually move from deducting depreciation on fixed assets to collectivizing the means of production. As for management, economic accounting must be developed, and economic contracts must be signed with the state. In distribution, the product contract mechanism must be used. Through the economic contracts, the state must supply production materials and expand credit borrowing so that the collective organizations can strengthen the material and technical base and expand production. The party committee echelons must regularly guide socialist transformation, make inspections, and classify things in order to have measures to improve quality. Based on expanding production, making innovations in production relationships, and increasing the incomes of the cooperative and collective members, the members of the cooperatives and collectives must be educated and encouraged to contribute voluntarily and fulfill their obligations to the state. Bogus collective forms must be eliminated.

The family economy must be encouraged to produce additional goods for society. This will supplement the incomes of the families and help the state and collective economies. Peasants and manual laborers must continue to be educated and encouraged to become involved in suitable forms of collective production.

Small merchants must continue to be arranged in suitable organizations. They must be educated regularly so that they carry out the policies correctly and subject themselves to state control. All forms of exploitation by marine products storehouse operators must be resolutely eliminated. They can be used as agents for state operations depending on their awareness, capabilities, and skills. In socialist transformation, there are two tendencies that must be avoided: being subjective and impatient and being conservative and slow. People must thoroughly understand and implement the policy of "making improvements in order to use, and use in order to improve even more."

Change the management mechanism:

Innovations must continue to be made in the management mechanism based on the basic spirit of the resolutions of the sixth and eighth plenums (fifth term) of the CPV Central Committee and the resolution of the Sixth CPV Congress.

Resolute steps must be taken to reorganize commercial production throughout the special zone. Guidelines, scales, and production forms must be determined clearly, production techniques must be rearranged and synchronized, the labor must be used efficiently, the management apparatus must be rearranged in accord with the tasks assigned by the central echelon, and the two-echelon administration in the special zone must be adjusted. The leading cadres and management cadres in the sectors and at the bases that are still weak must be redeployed.

Steps must be taken to concretize and guide the implementation of Political Bureau (draft) Resolution 306 on maintaining the commercial production independence of the primary level units in order to manifest the drive and creativity of the primary level installations. At the same time, the management effectiveness of the special zone authorities must be improved, respect for central leadership must be increased, and the principle of democratic centralism must be implemented in economic management.

Innovations must be made in planning. Planning must be regarded as central. Planning must be tied to economic accounting, and socialist business must be tied to commodity, currency, and market relationships, especially in conditions in which the state cannot provide all the materials needed by the commercial production units. The basic principles must be adhere to. At the same time, the various measures must be applied in a very flexible manner in accord with the real conditions in the special zone. Attention must be given to reviewing thoroughly the system of levers and the price, tax, credit, profit, and wage policies in order to ensure that commercial production is regulated in accord with the state plan guidelines and targets stipulated by the Special Zone Party Organization Congress.

11943

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LONG AN PROVINCE ADVOCATES PRICE SUBSIDIES POLICY

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[Article by Le Van Kien, Secretary of the Long An Provincial Party Committee: "Long An's Experience in Price Subsidies to Wages Policy Since the Beginning of 1986"]

[Text] During the recent past, Long An and a number of other provinces and cities have actively and partially renewed the socialist business and management mechanism, effectively achieved control of goods and money, and stimulated production development and market management and control. Long An has resolved the circulation and distribution problem, originally an extremely difficult and complex front, under its own special conditions with methods that still require continued study, analysis and conclusion.

Below we introduce the readers to Long An's experience.

During the first few months of 1986, Long An like other provinces and cities throughout the country, was faced with difficulties in the economic and social situation.

The level of severity in the circulation and distribution situation had risen another notch. Market prices were rapidly increasing at an unprecedented rate. The lives of the laborers, especially the workers, civil servants, members of the armed forces and those without a stable trade, encountered many difficulties. In agriculture, a number of primary crops and animals such as sugarcane, jute, pineapples and hogs declined. In industry, only a small number of enterprises began to improve management to maintain a normal level of activity while nearly all were obstructed and delayed by an imbalance in raw materials and material supplies, and products could not be distributed.

Faced with this difficult situation, on 31 March 1986, the Standing Committee of the Long An Provincial Party Committee issued a resolution on the critical situation and mission of circulation and distribution work, affirming a determination to properly achieve the Resolution of the Eighth Plenum of the Party Central Committee, and Resolution 28 of the Political Bureau, and to promptly handle urgent tasks following the spirit of Resolution 31 of the Political Bureau.

We introduce below some of the experience and results of implementing urgent price, wage and money methods.

I. Concerning Prices

We have achieved a unified single business price mechanism, closely associated with the market price and relying on a basis of commodity prices, the relationship between supply and demand, and that between goods and money.

Actual practice during the past 11 years has shown that market prices constantly rise and usually do so in a gradual manner without great or sudden changes. During the past 11 years, there were two great and abrupt changes, especially during 1981 and at the end of 1985 and beginning of 1986 when we implemented a general price, wage and money readjustment. Nevertheless, during each year in a number of locations and at various points in time, prices have risen more rapidly but have only been expressed in a number of goods and without adversely affecting the total social market. The reasons for the fluctuating situation have primarily been circulation obstruction, natural disaster, enemy destruction and sabotage, and speculation.

The reasons that prices have constantly and unceasingly risen during the past 11 years are primarily: slowly increasing production; an imbalance in supply and demand; and an increase in actual production expenses, causing a steady increase in product costs (raw material and material supply import prices rose), inflation and obstructed circulation.

Enemy economic sabotage, speculation and hoarding that cause prices to rise cannot be eliminated but they cannot create great fluctuation of a comprehensive scope and over a long period of time.

As long as we do not thoroughly resolve the causes above to their very roots, prices will continue to fluctuate. Therefore, speaking from a comprehensive viewpoint, we realistically at the present time do not have sufficient ability to immediately stabilize prices. If our determination and supervision unity are truly good, we will still be able only to maintain the price stability of a number of unspecified goods for a fixed period of time. We cannot maintain the price stability of all goods over a long period of time. A comparison between the forces of a socialist economy and a non-socialist economy is still not allowed and our "operational" coordination for market control is still too weak, and we still do not have the conditions for fundamentally and firmly changing the situation.

In Long An, state-operated trade and marketing cooperatives are only able to control about 50 percent of the social market retail sales volume. If other provinces and cities operated like Long An, our province could actively control the market in a number of essential goods such as grain, meat, sugar, monosodium glutamate and soap.

However, even under circumstances in which sufficient capabilities exist to stabilize prices, it is still necessary to calculate the social and economic effectiveness. When social market prices rise too high, the state price system is no longer consistent with the price of goods on the social market, the price differences cause great losses to the state and are a lucrative source of income for a number of individuals making an illegal living, and there consequently must be methods of eliminating these price differences.

This is the reason explaining why Long An must implement a mechanism of "flexible" and "movable" prices as set forth by the Resolution of the Eighth Plenum of the Party Central Committee.

Doing this is not pursuing market prices. It is a demand of objective law that we cannot disobey. It is only that we cannot follow it in a passive but in a calculated manner, advancing step by step, and making gradual force comparisons to rise toward the achievement of autonomy and elimination of the negative influences of the market and prices.

In the overall marketing, exchange, export and import environment as well as the receipt of material supplies and commodities by the central government where many great difficulties and obstacles are encountered, due to achievement of the policy above, Long An Province during the first 9 months of 1986 has achieved fair results in the production field, especially in agriculture and in circulation and distribution.

Agriculture continues to develop: This year, Long An has had to self-provide two-thirds of its fertilizer requirements (the central government has been able to supply only one-third of the planned level) but during the two 1986 winter-spring and fall crops, a grain output of 528,000 tons was achieved, equal to 88 percent of the entire year of 1985 (the highest year ever). If not greatly effected by natural disaster, it is possible that nearly 700,000 tons will be achieved for the entire year of 1986 (more than double the total annual grain output prior to liberation). A number of other agricultural food products that declined during the two previous seasons, such as jute, sugarcane, ducks and hogs, were restored and fairly well developed after the price and distribution policies were changed. Peanuts, reeds and rushes continue good development. Locally produced industrial products such as cloth, notebook paper, furniture and construction materials have all increased. The Cau Voi Textile Enterprise during the first 9 months of this year increased product output by 11 percent over the same period last year, and profits and state-operation income both met and surpassed the proposed planned levels.

Significant progress has been made in mobilizing goods sources under state control: From the tenth-month and winter-spring grain crops, 133,397 tons were procured, nearly equal to the level for the entire year of 1984 and 90 percent of the level for the entire year of 1985. A level of 190,000 to 200,000 tons will possibly be achieved for the entire year of 1986.

A total of 6,614 tons of peanuts were purchased, 1.5 times the 1985 level and nearly three times the amount purchased in 1984.

Progress was made in export and import business. For a number of valuable export goods from the province such as peanuts, shrimp, duck feathers, copra, silk products, rush products (straw mats), etc., a higher planned level was achieved than during any previous year. In export shrimp alone, 500 tons were purchased during the 9-month period, the highest level ever achieved. There were 1,153 tons of export duck feathers purchased during the 9 months, the highest level ever and equal to 157 percent of the 1983 level (the previous highest level) and 192 percent of the 1985 level.

From the control of commodity agricultural products, we have strengthened exports and imports, exchange, joint enterprise and association with other provinces to create commodity and material stocks consistent with the requirements of the local area.

Consequently, during the first 9 months of this year, Long An has been self-sufficient in about 75 percent of its consumer goods stocks with the Ministry of Internal Trade supplying only 25 percent.

Thanks to creation of the necessary consumer goods stocks and achievement of normal sales, Long An has taken the initiative in balancing the local budget. Cash to support basic expenditure requirements has been ensured. Receipts from the sale of goods have had sufficient strength to ensure purchasing expenditures, alleviating the crisis in cash.

II. Concerning Price Subsidies to Wages

1. Due to the fluctuations of prices and the market, since the very end of 1985, the actual salaries of workers and civil servants have declined in an extremely rapid manner compared with the nominal (new) wages. The difference between actual and nominal wages becomes increasingly greater, following the fluctuation rate of market prices.

A problem very much in need of solution is to: either continue price subsidies to prevent the living standards of the workers and civil servants from declining, or to return to in-kind supply at a supervised price (far lower than the commercial business price).

A return to in-kind supply is contrary to the spirit of the Resolution of the Eighth Plenum of the Party Central Committee and Resolution 28 of the Political Bureau.

On what basis must continued price subsidies to wages rely? Is it possible to ensure them and what will be the results?

Long An has experience in price subsidies to wages during previous years. However, has anything changed in the reality of 1986?

The most important change compared with previous years is that the prices of commodities received from central sources have risen and to acquire these goods, a goods volume of relative value is required in exchange.

Consequently, to achieve price subsidies (as during several previous years), it is necessary to rely on the source of local goods as a balance.

Long An has also achieved a balance between the goods control capabilities of the local area and supply requirements.

2. With 50,591 individuals within the supply purview (consisting of workers, civil servants, vocational students, cadres in ill health and the people's

public security but not counting the army), if calculated by stipulated level (in Decision 117/HDBT of 4 October 1986), the province must annually provide 8,244 tons of rice (equal to 12,683 tons of field rice), 330 tons of pork (equal to 434 tons of hogs on the hoof), 201 tons of sugar, 304,000 liters of fish sauce, 51 tons of soap, and 12,142 tons of fuel (in coal briquet equivalent). This volume of goods, if calculated at the prices of 1 October 1985, would amount to 37.7 million dong; if calculated at the current supply prices would be 60 million dong; and if calculated at the commercial business prices of the local area, would be 299.3 million dong.

With only six supply items, the price difference for one year is 262.6 million dong (compared with the 1 October 1985 prices) or 299.3 million dong (compared with the current supply prices).

If we continue on to calculate the 11 commodities as previously stipulated of the central government, the price difference would be 441.3 million dong compared with the 1 October 1985 prices; and 494.6 million dong calculated at the commercial business price, a reduction of 53.39 million dong (compared with the 1 October 1985 prices).

With its goods control capabilities, our province not only has sufficient commodity forces to supply all supply purview recipients but also has the forces to participate in the market struggle and to trade with local areas.

This is because compared with the volume of goods collected during the first 9 months of this year, the volume that must be supplied amounts to only 9.5 percent (in grain).

If calculating that at the present time, 180,000 tons of grain have been collected, and 120,000 tons have been sent to the central government, leaving 60,000 tons, the volume required for supply each year is only about 20 percent of the grain that the province has the authority to use), 9.4 percent (in live-weight hogs); 7.7 percent (in sugar); 8.1 percent (in soap), etc.

Actual practice during the past few years has shown that the sale of supply goods at the supervised price creates artificial requirements and extremely many negative occurrences in circulation and distribution. Consequently, to ensure supply requirements, the state must have a volume of goods much greater than the supply requirements and the state budget must also compensate for the losses of all goods affected by corruption, exploitation, waste and loss during the process of that distribution. Also in price subsidies, the subsidization must be precisely in accordance with supply standards, no more and no less.

Moreover, with a commodity force many times greater than the fixed quantity that must be supplied as above, if a state-subsidized price mechanism is implemented for all society, not only will the state budgets lose a great source of income but the merchants engaged in market and price monopolization will be given impetus.

3. There is an opinion that the reason that Long An has so many price differences is in the goods sources of the central government.

Actually however, during the first 9 months of this year, the source of central goods and the price differences collected from this source accounted for only a small percentage of the total goods source and the total price difference actually collected by the local area.

During this 9-month period, the total price difference receipts of the entire province amounted to 366 million dong, including specific sector contributions as follows: exports and imports, 136 million; and internal trade, 127 million.

Of this 127 million: there were 84.5 million from self-sufficient local goods sources; 42.5 million from centrally supplied goods sources; 59 million from the grain sector; 35.4 million from material supplies; and 8.8 million from marine and aquatic products.

Actually during the past 9 months, the consumer goods purchased from central goods sources amounted to only 25 percent of the total value of consumer goods purchased by the province (converted to a unified purchase price). The price difference receipts of centrally supplied consumer goods was only 33 percent of the internal trade sector price difference and 12 percent of the total local area price difference.

(If the total material price difference is considered a central goods source, the price difference from centrally supplied material commodity sources accounted for only 23 percent of the total price difference of the local area.)

Thus, it is clear that the price difference goods source of Long An primarily relies on local goods and on the basis of expanding business, joint enterprise and associated production.

4. Therefore, based on the stipulations of the central government, Long An has the ability to ensure a balance between requirements and capabilities in price subsidies, in both the in-kind and value aspects.

In actual practice during the past 9 months, the amount of money expended in price subsidies to a total of 59,591 people (including the 14,672 workers and civil servants of the business production area) was about 156 million dong. However, since July 1985, our province has placed all the wage funds and price subsidies of business production in production costs. Therefore, the amount of money actually expended in the price subsidies of the local area during the period of 9 months was 110.3 million dong.

5. There is concern that placing wages and price subsidies in production costs will cause production costs to rise and retail sales prices to become "rigid."

We examined the Cau Voi Textiles Enterprise and saw that with three primary types of cloth, the proportion of wage funds (consisting of wage and price subsidies, that is $V_1 + V_2$) averaged only about 4 to 5 percent of production costs.

Specifically: tropical fabric at the beginning of the year with a price subsidy of 40 percent and $V_1 + V_2$ of 140 percent, had a proportion of 1.66 percent; now the price subsidy is 300 percent, $V_1 + V_2$ is 400 percent, and the proportion is 3.9 percent.

Silk at the beginning of the year had a price subsidy of 40 percent and $V1 + V2$ of 140 percent with a proportion of 2.79 percent; Now the price subsidy is 300 percent, $V1 + V2$ is 400 percent, and the proportion is 5.86 percent.

Rosa cloth at the beginning of the year had a production costs proportion of 3.78 percent which is now 8.35 percent (the overall average is 4.5 percent).

An important point is that thanks to the improvement process, the enterprise has delved into commodity design improvement both to reduce the amount of raw material waste and to produce products with specifications and colors consistent with preferences. Thus, product costs have not risen but product value has, without adversely affecting the consumption problem.

Therefore, in implementing price subsidies to wages, we have made calculations and deliberations on the basis of thoroughly understanding the spirit of the resolutions of the central government and based on the capabilities of the local economy. Here there is only one essential and most difficult condition, the introduction of business and production sectors truly to socialist economic accounting and business practices. This is also a requirement presented by the central government in all recent resolutions. We think that if there is not a true entry to business practices, the available sources of capital of the state cannot be productive but will suffer increasing depletion and loss. Commerce must have business practices before it can develop the economic strength of the local area and before it can overcome its weaknesses by goods exchange, joint enterprise and association with nearby local areas in order to acquire the things it does not have.

III. Concerning Wages

Actual practice during the recent past has shown that the task of ensuring the daily needs of workers, civil servants and members of the armed forces is an urgent requirement. Wherever these daily needs of life are well-resolved, the economic and social situation is better stabilized and fewer negativisms occur. For this very reason, we strive to maintain a relative standard of living for state wage earners without great decline to give them peace of mind in their work and allow them to better accomplish their job.

The central government has regulations on the fixed-quantity supply of six essential goods. However, we note that in these six items, a minimum standard of living cannot be ensured, even for the laborers themselves and not counting their families.

Therefore, on the basis of government regulations, we have calculated price subsidies for workers and civil servants in accordance with a percentage of their wages in order to easily calculate and maintain relative consistency between wage recipients. We think that in the implementation of in-kind supply, it is impossible to establish too many supply levels, while in the application of price subsidies to wages, average-ism in distribution can be eliminated. Such action is to achieve distribution in accordance with labor, an essential task following socialist economic law.

During the past 10 months, we have gradually raised the price subsidy level: from 40, 60, 100 to 200 percent and since September, 300 percent (including

all high-cost allowances stipulated by the central government). In reality, this subsidy level is still low compared with the approved level of the wage mechanism stipulated in Resolution 235/HDBT 18 September 1985 of the Council of Ministers.

A present example is that if only the six most essential goods are calculated (rice, meat, sugar, vegetables, fish and firewood), the price difference compensation level for the worker and civil servant is 621 dong per month, equal to 282 percent of the minimum wage (220 dong per month).

If 47 essential goods are calculated, the price subsidy level (calculated at the commercial business price at the end of August 1986) is 1,127 dong, equal to 440 percent of the minimum wage. Meanwhile, the province is able to only compensate for 300 percent (including 24 percent that are high-cost allowances stipulated by the central government) and an additional 40 percent increase in accordance with Decision 117/HDBT 4 October 1986 of the Council of Ministers. The workers and civil servants still suffer a loss of 140 percent.

If these 47 items are calculated at their October 1986 price, the level of required compensation is 485 percent with the workers and civil servants still suffering a loss of 185 percent.

IV. Concerning Finance and Currency

A consistent position of the province from the very beginning has been to strive to achieve a balanced budget on the basis of local business production.

We have actively promoted production and procurement controlling goods sources while simultaneously strengthening exports, imports, exchange, joint enterprise and association with other provinces in order to both answer the requirements of production and life, and to actively resolve the requirements of a balanced budget, currency and goods within the scope of the local area.

Total local budget receipts during 1985 amounted to 371 million dong, 33 percent of the 1984 level; and 851 million dong during the first 9 months of this year, equal to 556 percent of the same period last year. (Meanwhile, the market price index: comparing 1985 with 1984 was 160 percent, and comparing the first 9 months of this year with 1985, was 660 percent).

In the budget receipt structure, receipts from state-operated economy increase each year and account for a large proportion of the total amount: in 1985, 98.8 million, accounting for 26 percent; and during the first 9 months of 1986, 300 million, accounting for 35 percent.

The receipts from commercial business (exports, imports, internal trade and grain) have also risen significantly: in 1985, 150 million, accounting for 40 percent; and during the first 6 months of 1986, 166 million, accounting for 39 percent (September data is not yet available).

Although receipts from the collective and individual economies have risen, the increase has been slower and primarily due to the collection of industrial and

commercial taxes: in 1985, 31 million, accounting for 8 percent; and during the first 9 months of 1986, 123 million, accounting for 14 percent (including industrial and commercial taxes of about two-thirds and agricultural taxes of about one-third).

A special point is that since July 1985, Long An has transferred responsibility for all the wage and price subsidy expenditures of workers and civil servants directly engaged in production and business to business and production. Therefore, the state budget has been relieved of a heavy burden. Thanks to this, the local area can take the initiative in balancing its own budget.

Budget expenditures during the past several years have all been achieved in accordance with the plan. A constantly balanced budget insures essential requirements and expenses.

Thus, on the basis of developing business and production and ensuring the need for a rational increase in receipts precisely in accordance with policy, promptly following the fluctuations of the market, and precisely achieving the annual plan, we have taken the initiative in balancing the local budget.

Concerning currency: Also on the basis of developing business and closely connecting the control of goods with that of currency, we have striven to resolve the basic requirements in cash of the local area. Total cash receipts through bank funds have unceasingly risen.

During the first 9 months of this year, receipts amounted to 2,050,000,000 dong, 58 percent of the annual plan; including receipts from the sale of goods of 1,635,000,000 dong, accounting for 79 percent of the total.

Cash expenditures during the 9-month period amounted to 2,574,000,000 dong, 60 percent of the annual plan; including procurement expenditures of 1,524,000,000 dong, comprising 58 percent of the total.

Overdrafts during the 9-month period were 524 million, 66 percent of the planned level.

Actual practice has shown that receipts from the sale of goods are completely sufficient for procurement expenditures. Nevertheless, because goods sale receipts are spread evenly in months throughout the year while procurement must be concentrated in accordance with the season, there is usually a tense situation in cash during the procurement seasons.

Banking profession receipts such as savings and debt receipts are still too weak, only 144 million during the 9-month period (accounting for about 8 percent of total receipts), while expenditures involving savings and loans rose to 372 million dong (about 14.4 percent of the total expenditures).

Professional and financial receipts during the 9-month period were only 213 million dong (about 10 percent of total receipts), while wage and salary expenditures, special expenditures, social expenditures and administrative and professional expenditures rose to 630 million, comprising about 24 percent of the total.

Here, the cause of the overdraft is primarily due to the fact that expenditures are higher than achievable receipt capabilities. On one hand, this is because the expenditure requirements of the state apparatus are too high, and on the other hand, because money distributed for loan investment exceeds the business level permitted by the national economy.

Consequently, to reduce the overdraft level, it is necessary on one hand to strive in promoting business while on the other hand, to curtail state management expense.

Another more important point is the need to develop the consumer goods industry in order to advance toward achievement of a balanced relationship between goods and money, and one between industrial and agricultural goods, creating conditions for the state to take the initiative in achieving a cash balance in each local area and throughout the nation.

The total price subsidy expenditures of the province for the 9-month period were only 110 million dong, only 4.2 percent compared with the total cash expenditures during the same period of 2,574,000,000 dong. This is only a small amount of money and price subsidy expenditures are not the primary cause of the tense situation in cash at the present time.

V. A Number of Proposals

1. Concerning prices: We see that the two-price mechanism is no longer consistent. Actual practice has clearly proven that this mechanism has caused countless serious consequences for production and social life and has prevented us from managing the economy. Therefore, it is suggested that a decisive and total shift be made to a one-price mechanism, the socialist commercial business price.

2. Concerning salaries: It must be affirmed, no matter what the situation, that a minimum and necessary standard of living is ensured for those drawing state salaries.

3. Concerning finance: It is suggested that responsibility for all the wage, allowance, subsidy, etc. funds of workers and civil servants directly engaged in production and business be transferred to production and business.

This will create conditions for beginning socialist economic accounting and business practices, and assist in balancing the budget and reducing inflation.

On the other hand, it is necessary to cease compensation for production and business losses (if any, only a few essential trade sectors). In cases of price compensation, the recipient should be compensated directly without compensating for losses through service business sectors.

4. Concerning the market: Economic centers such as Hanoi and Ho Chi Minh City play an extremely large role regarding the entire nation and each area. Therefore, in order for the economy to become stable, we suggest that the central

government on one hand more strongly stimulate the process of social and economic management renewal in these central sectors, while on the other hand concentrating the forces of the entire central and local areas for sufficient strength to direct and gradually control the large central markets.

Only when the economic situation is stabilized, especially the markets and prices of these two large centers, can there be stability throughout the country.

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BRIEFS

WOOD BOATS PREFERRED IN FUEL SHORTAGE--Hanoi, VNA 2 January--For economic reasons, most Vietnamese fishermen prefer wooden boats with outboard motors to steel-hulled trawlers. A 140-hp steel trawler consumes two oil barrels on a night run while a 33-hp wooden boat uses only half a barrel. On the other hand, a wooden boat can catch nearly as many fish and shrimps as a steel trawler does. The Chien Thang (Victory) Fishing Enterprise in Vung Tau-Con Dao special sector has built dozens of new wooden boats to overcome difficulties caused by the current shortage of fuel. [Text] [Hanoi VNA in English 0705 GMT 2 Jan 87 OW] /12858

NEW ECONOMIC ZONES EXHIBIT--Hanoi, VNA 8 January--An exhibition on the building of new economic zones was opened here yesterday by the Ministry of Labour. On display are more than 200 big-format photos, diagrams and relics reflecting the results of the movement for redistribution of the workforce and population to build new economic zones throughout the country. Since 1976, almost three million people have left over-populated areas to settle in new economic zones in the central highlands, the eastern part of South Vietnam, the Mekong River Delta, and the northern mountain areas. The redistribution of the workforce has also been effected within each province. The settlers have reclaimed millions of hectares of wasteland, put hundreds of thousands of hectares under rubber, tea, coffee, tung, coconut and set up hundreds of new economic zones. The photos also feature the material and cultural life of the settlers and the steady development of healthcare, education, and defence work in the new economic zones. [Text] [Hanoi VNA in English 1543 GMT 8 Jan 87 OW] /12858

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DEVELOPMENT, USE OF NUCLEAR TECHNOLOGY IN VIETNAM DISCUSSED

Hanoi NHAN DAN in Vietnamese 24 Oct 86 p 2

[Article by Pham Duy Hien, director of the Program To Make Technical Progress in the Use of Atomic Energy: "Nuclear Technology Is Being Used in Our Country"]

[Text] Among the 204 countries in the world, 60 countries now have nuclear reactors that are being used for research purposes. Because of the protracted war here, our country developed guidelines for the use of nuclear technology relatively late. At the beginning of 1984, with the help of the Soviet Union, the Dalat nuclear reactor was restored, expanded, and officially put into operation. Given our country's present economic situation, a rational target for the next 10-15 years is to strive to have society recognize nuclear technology as a technical economic sector through the application of a number of important advanced techniques that are now in widespread use in many of the advanced countries. Through this path, we must also develop the potential of the nuclear sector. Or stated more boldly, we must develop a nuclear potential for the country. Although such a rate of development does not seem very fast, we must make a great effort and organize things well if we are to hit the above target. Among these advanced techniques, atomic power must be placed at the top of the list, followed by the use of radioactive substances and ionizing radiations in economic spheres and daily life.

In implementing the previous 5-year plan, we built a nuclear reactor at Dalat and put it into operation. A number of specialized production installations that use nuclear technology were built or expanded. It can be said that nuclear technology is being used in our country and that initial results have been achieved.

The Dalat nuclear reactor has three functions: to conduct research, produce radioisotopes, and train cadres. With our country's present level of economic development and ranks of cadres, even though the Dalat nuclear reactor does not have a very large capacity, it has the capabilities to fulfill the three functions mentioned above. Before the Dalat nuclear reactor was put into operation, every year we had to import about 1.5 curies of radioactive substances for the public health sector. In 1986, the nuclear reactor supplied approximately 8 curies of radiopharmaceuticals, 12 curies of phosphorus-32 in crushed form, and a few curies of other radioactive substances for the production installations. Technetium-99 pharmaceuticals have been manufactured

regularly and at fixed periods in order to help diagnose diseases. Iodine-131 has been produced on a small scale in the reactor. Today, a production chain to produce iodine-131 is being built using equipment supplied by the International Atomic Energy Agency. The production chain will be in operation by March 1987 and will have the capacity to supply 50 curies of iodine-131 a year. This will provide direct support for treating Basedow disease and diagnosing many other diseases.

On the other hand, there must be measures to ensure that nuclear medicine can fully utilize the capabilities of the nuclear reactor. In recent years, nuclear medicine in our country has begun to expand in terms of both diagnosing and treating illnesses. Many experimental nuclear medicine procedures have become regular techniques and manifested results (the Bach Mai, Cho Ray, Hanoi K, and Gia Dinh Cancer hospitals). However, as compared with the world average, we have very few nuclear medicine installations, and equipment is insufficient.

Besides the public health sector, radioactive substances are also used in industry, geology, and a number of other sectors. In industry, radioactive substances are used to detect defects in metals and check the quality of machine products. These techniques have been studied at the Hanoi Polytechnic College and the Ho Chi Minh City Nuclear Technology Center. This can be expanded in the form of technical services. The Institute of Petroleum Technology, Rear Service General Department, has studied using radiation in order to remove the foreign substances that clog up the underground fuel pipelines. This technique has been tested on lines tens of km long. The Institute of Physics has successfully used nuclear technology in a number of coal mining tasks. In geology, for tens of years now, our country has used radiological survey methods to survey geological sites and petroleum deposits (carota technique). Unusual radioactive phenomena have been surveyed by air and ground. Recently, neutron bombardment analysis techniques were developed at the Dalat reactor. Thousands of shapes were analyzed in difficult objectives such as gold, silver, uranium, thorium, and scarce metals. The Dalat Institute of Nuclear Research plans to build a modern quantitative analysis center near the reactor and use nuclear methods as the main stay in order to have high productivity and high speeds. Computers and automated techniques will be used. The analytical techniques will be improved in order to create, together with nuclear technology, a uniform system of analysis that can satisfy the different requirements of the various economic sectors. In 1986, almost 2,500 samples were sent to the Dalat reactor. Most of these were geology sector objectives that were difficult to analyze and microminerals in crop growing and animal husbandry. Besides the reactor, nuclear analysis is being carried on in the small accelerators (Institute of Physics) and in sources of radioactivity (the Geophysical Team and a number of colleges). Techniques for recording natural radioactivity have been developed at the Radiation Survey Office and the National Atomic Energy Institute. This has helped the geology sector determine the amount of uranium, thorium, and radium in almost 2,000 mineral samples. With the assistance of the International Atomic Energy Agency, an isotopic hydrology laboratory has been built at the Ho Chi Minh City Nuclear Technology Center in order to help study underground water levels in the Mekong Delta and adjacent zones. With the scintillation equipment, which is used to measure amounts of carbon-14, at this center and

at the Epidemiological Hygiene Institute, recently, we have begun to solve the mathematical problems and determine the age of a number of mineral samples and fossils using carbon-14. This is a difficult mathematical problem. There is presently no other way to solve these problems except to use nuclear technology. For years, we have had to rely on the help of other countries. Irradiation is an important applied sphere of nuclear technology in many economic sectors. Since 1982, the Dalat Nuclear Research Institute has been equipped with 16,000 curies of radioactive substances in order to carry on research and test irradiation regulations. These sources of radioactivity have proven the effectiveness of the regulations for stimulating the growth of corn and soybean seed, storing agricultural products and food, polymerizing wood, and vulcanizing rubber. However, with the rather small amount of irradiation, in these sources of radioactivity about 800,000 medical implements have been decontaminated. These include transfusion tubes, IUD's, and surgical thread. Today, a group of young scientific cadres is using gamma radiation from the reactor when the reactor is shut down to study wood polymerization and test manufacture shuttles from a number of types of soft wood.

In the past period, along with developing and applying nuclear technology, a radiation safety sector has been formed with ranks of cadres and a material base. Two laboratories to study environmental radiation have been put into operation in Hanoi and Dalat.

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CSO: 4209/172

BIOGRAPHIC

VIETNAM

BRIEFS

FORMER AMBASSADOR TO USSR DIES--Hanoi, VNA 2 January--Nguyen Huu Mai, former member of the Communist Party of Vietnam Central Committee and former ambassador to the Soviet Union, died here today of serious illness at the age of 73. [Text] [Hanoi VNA in English 1526 GMT 2 Jan 87 OW] /12858

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